Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 1 No. 42 | New York, N. Y., October 20, 1958 | $6 A YEAR U. S. AND CANADA $25 A YEAR FOREIGN

Typical P.A. Uncovered by P.W.'s Survey

New York—Is there such a thing as the average or typical purchasing executive? If so, what is he like? How old is he? How much does he make? How does he stack up against other executive personnel?

PURCHASING WEEK editors now have the answers. They were obtained recently in an extensive survey of P.W. readers—paying particular attention to purchasing men's financial position, education, age, and buying habits.

The results point up the relatively high position purchasing executives hold in the nation's economic set up. Here's a profile of the typical P.W. reader responding to our survey:

- He is alert, progressive, younger than the average managerial executive.
- He has a good education.
- Incomewise, he is actually

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Economists See Industrial Climb

New York—With the nation's industrial economy ever expanding in an upward climb, the next few years will see:

- Steady expansion interrupted regularly by recessions, the next of which is due in the early 1960's.
- Firm but not necessarily spectacular gains in industrial growth with productivity increasing at about 2% annually during the next ten years.
- The longest and biggest boom of the post World War II era.

While agreeing steady marked economic progress is assured, three leading economists last

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Factory Overtime Reaches 85.7, Indicates Rapid Business Recovery

New York—Factory overtime continues to expand, pointing to sustained business recovery into winter. PURCHASING WEEK's Index of Overtime Hours racked up another gain in September—rising to 85.7 (1956 equals 100). That's a healthy 9% boost over the previous month.

This index is a particular valuable barometer for purchasing executives because it telegraphs changes in production well ahead of most indicators.

The fact that the P.W. index is rising indicates a sudden surge of demand. For factory managers are usually loathe to shell out expensive overtime pay unless they're faced with a growing backlog of orders and increasing pressure for early delivery.

Closer analysis reveals both

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This Week's

Purchasing Perspective

OCT. 20-26

Purchasing executives and their traffic department collegues may soon find themselves involved in what could be the biggest freight rate war yet between truckers and railroads (see details, p. 1). Rails are going all-out to challenge trucks for shippers' business, and the I.C.C. appears caught in the middle.

On one hand, the Commission is not supposed to hold an umbrella over any form of transportation. But on the other, it must protect the health and stability of the nation's transportation system. Truckers claim there will be a ruinous breakdown if rails continue trend toward abandonment of traditional class and commodity tariffs and expand use of cheaper volume rates.

Trucks know they cannot compete with rails in a tonnage race. The truckers fear that a shift to a volume basis will skim off the cream of today's freight business under the present classification system.

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Underlying concern of what will happen to the nation's transportation system if the commodity classification system is junked in favor of volume shipments has forced the I.C.C. to take a quiet, but deep, hard look at Piggy-back rates. Results of this inquiry have not been published and may never be. But with truckers now pounding on the I.C.C.'s door and in effect demanding a sweeping investigation into the whole matter, it seems sure to herald a nationwide re-evaluation of the freight rate structure.

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Full speed ahead seems to be the order of the day for the steel industry. Mill spokesmen comment that incoming orders indicate buyers are well on the way to replenishing inventories in many

(*Continued on page* 21)

What Problems Does Such a Fire Bring?

This fire at the Fort Wayne plant of General Homes, Inc., caused a lot of problems for Bruce McLennan, the purchasing agent. To find out what he did, see page 12. To find out what you should do before and after such a disaster, see page 14.

High Grade Zinc Supply Nixes Shortage Talk In Spite of Quotas

New York—There'll be no shortage of special high grade zinc in spite of the government's recent decision to impose import quotas on foreign metal, according to an American Zinc Institute spokesman.

John L. Kimberley, Institute executive vice president, said, "While there is some difference of opinion as to the merits of the quota system, nevertheless, there seems to be a general feeling in the industry that the quota system permits flexibility in the event of a sharp rise in demand for Special High Grade zinc."

Kimberley pointed out that estimated production capacity in the U. S. is "well over 100,000 tons annually," and that there are large stocks of the metal currently on hand at smelters here.

Rails' Cut Freight Rates; Arouse Ire of Truckers

When Railroads Establish Schedules to Compete With Trucking Firms, Latter Appeal to I.C.C.

Washington—Competition between railroads and truckers is flaring into what may well be a complete reshaping of the traditional pattern of setting freight rate charges. Center of the tariff fight is efforts by the rails to push reduced rates for big shipments.

The Eastern Central Motor Carriers Association last week filed with the Interstate Commerce Commission a multi-charge blast at some 22 of the nation's railroads and an equal number of freight forwarders. The Association, one of the most outspoken of the trucking representatives, wants the I.C.C. to conduct a master investigation of volume rates and knock out most.

Basically, the issue focuses on the old argument: "Buy the large economy size and save money." What the rails want to do is more than double the present volume rate unit and drastically reduce the rate.

Blazing the trail in the move is the Baltimore & Ohio railroad. The B & O now will haul

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U.S. 'Price Fixing' Brings Protests

Washington—A federal purchasing regulation, practically unnoticed for years, suddenly has thrust the government on the defensive against charges of "price-fixing" on thousands of commodities.

Source of a simmering controversy is a seven-year-old regulation designed to get the best possible price for the government. But a number of purchasing agents, especially those for state and local governments, contend the rule actually operates in such a way as to keep them from negotiating lower prices for themselves on the same items.

Literally millions of dollars in lower purchasing costs are involved in the dispute which centers on Regulation 13 of the General Services Administration's "general provisions for federal supply schedule contracts" drawn up in 1951. The rule is made a part of every contact.

Regulation 13, as originally drafted, stated that any contractor supplying the government

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N.Y., Oklahoma Join Price Probe

New York—Oklahoma and New York have joined a group of states where public purchasing procedures are undergoing direct examination by law enforcement, legislative, or other groups. Recent Oklahoma and New York developments are reviewed below.

PURCHASING WEEK reported previously on inquiries into alleged price collusion by bidders on municipal suppliers in Texas and other states (P. W. Aug. 4, p. 1; Sept. 22, p. 15) and on charges made against state purchasing policies in Georgia (P. W. June 30, p. 23).

Oklahoma City—A full scale investigation of public purchasing practices throughout Oklahoma is underway. It was touched off by reports that a county commissioner was building his home with county material and road funds.

A special legislative committee appointed to check into county buying practices was scheduled to resume hearings last

(*Continued on page* 22)

Packaging Field Open to Aluminum

Chicago—Use of aluminum for cans already is a commercial reality, but many more applications are on the way.

The future of aluminum as a packaging material attracted attention last week when 1,200 packaging experts gathered at the Packaging Institute's 20th annual forum. The occasion was a three-day discussion of problems in their $14 billion industry.

L. R. Payton, manager of Reynolds Metals Company's rigid container division, predicted aluminum will capture about 5% of the 40 billion unit can market in the next three to five years and may win up to 20% in the next 10 years. Because of the many "breakthroughs in aluminum economics still under wraps as

(*Continued on page* 21)

No Settlement in Sight For Major Glass Strike

Pittsburgh — Prospects for early settlement of a strike against Pittsburgh Plate Glass Co. and Libbey-Owens-Ford appeared dim last week. The walkout by 23,000 workers cut off the bulk of U. S. flat glass production.

A Pittsburgh plate spokesman emphasized, however, that the strike had not affected distribution and that stocks on hand as of last week were still about normal. Aside from Ford Motor Co.'s own production, Pittsburgh Plate

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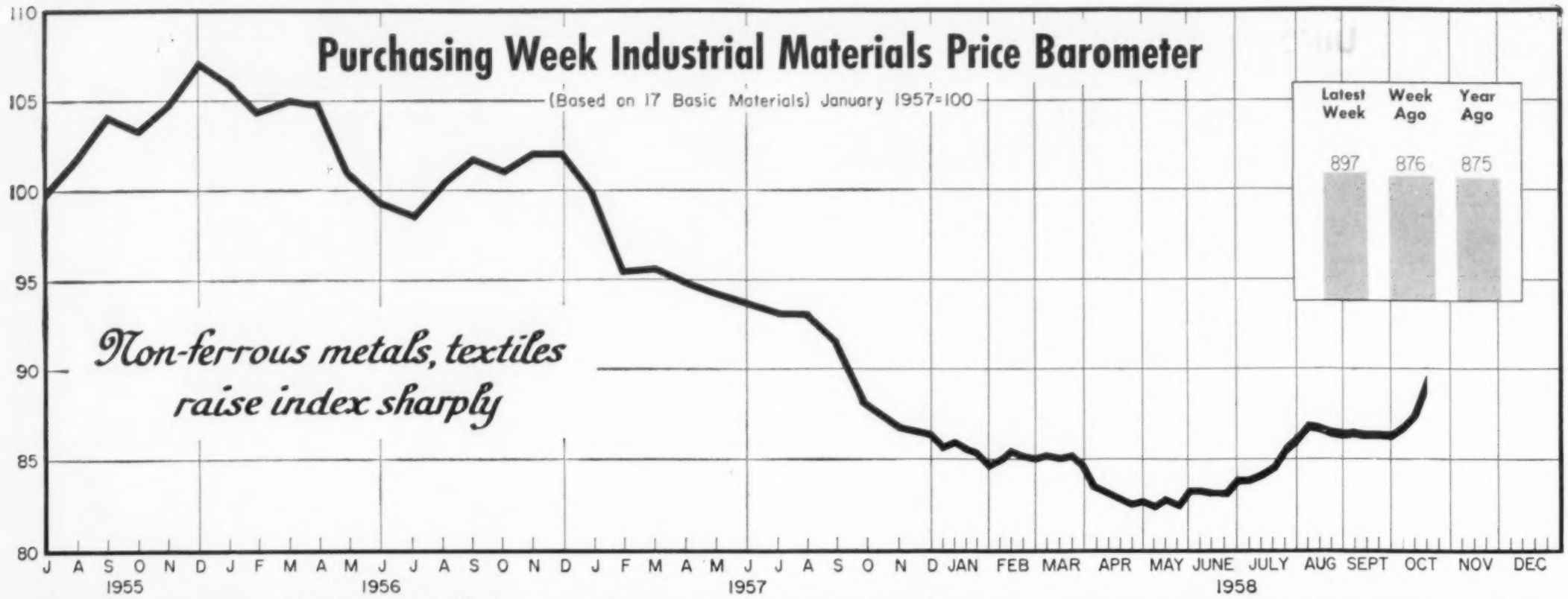

This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they reflect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

OCT. 20-26

Brisker business pace and firming commodity markets raise two important purchasing problems.

• What to do about expected price increases. Do they justify any setup in advance buying?

• What about hand-to-mouth buying policies. Is a reappraisal needed?

Of course, you can't give specific answers that will cover the entire cross-section of American industry. Demand and supply conditions in each and every area are never exactly identical.

Nevertheless a look at some of the overall trends does indicate certain broad-gauge considerations.

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Take the policy of stocking up in order to beat expected price hikes.

This can only be justified in times of sharply rising prices—something we don't have now.

Moreover, there dosen't seem to be any such movement looming in the next few months either.

Even in non ferrous metals (where a strong firming trend has set in), there's absolutely no sign of near term skyrocketing prices such as occurred in early 1956.

Except for a temporary copper shortage—caused by strikes in Northern Rhodesia, U. S., and Canada—all non ferrous metals are in more than ample supply. And there's more than enough standby capacity ready to meet any increase in demand.

To recapitulate—in most areas (including metals) there's really no incentive to speculate, to buy now to beat future hikes.

The returns of such a speculative program can hardly be justified—particularly when you consider the cost of carrying the additional stocks and the tying up of needed working capital.

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Actually, non speculative forces will be putting enough strain on inventory costs in coming months—without adding the additional burden of speculative buying.

These non speculative forces have always been present in an upturn.

As your own firm's production schedules increase, you'll be stocking up more and more just to maintain your normal supplies.

A possible reappraisal of hand-to-mouth buying policy is still another reason for inventory pickup in times of rising business activity.

As noted, what to do about close-to-the-vest purchasing is a problem facing most purchasing executives today. Just because it was the best policy last spring doesn't necessarily mean it's the best one to follow today.

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It all centers around the problem of deliveries.

With more people clamoring for goods, it takes longer for your supplier to process, produce, and deliver an order direct to your factory doorstep.

It's certainly true in steel where many regular customers now report it's becoming harder to get the kind of steel they need, when they need it. Galvanized sheet, in particular, has already been reported "on quota."

Thus, hand-to-mouth buying is becoming pretty risky in some areas.

In such instances it's always well to remember that your primary function as a purchasing executive is to have supplies ready when they're needed. Any other policy is essentially "penny wise and pound foolish."

This Week's Commodity Prices

	Oct. 15	Oct. 8	Year Ago	% Yrly Chg.
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, #2 foundry, Nev. Is., Pa., gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts. net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.50	43.50	40.50	+ 7.4
Steel scrap, #1 heavy, del. Cleve., gross ton	40.00	40.00	36.50	+ 9.6
Steel scrap, #1 heavy, del. Chicago, gross ton	43.50	43.50	39.50	+10.1
Aluminum, pig, lb	.247	.247	.26	— 5.0
Secondary aluminum, #380 lb	.218	.218	.227	— 4.0
Copper, electrolytic, wire bars, refinery, lb	.273	.261	.265	+ 3.0
Copper scrap, #2, smelters price, lb	.235	.22	.198	+18.7
Lead, common, N.Y., lb	.13	.123	.135	— 3.7
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.85	—12.9
Tin, Straits N.Y. lb	.961	.965	.92	+ 4.5
Zinc Prime West, East St. Louis, lb	.108	.108	.10	+ 8.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.55	—21.6
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.95	—19.7
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.85	—24.6
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.04	+25.0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.115	.115	.133	—13.5
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.113	.113	.126	—10.3
Coal, bituminous, slack, ton	5.75	5.75	6.05	— 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	86.50	86.50	86.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	—13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.158	.158	.138	+14.5
Glycerine, synthetic, tanks, lb	.278	.278	.28	— .7
Linseed oil, raw, in drums, carlots, lb	.167	.167	.186	—10.2
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	— 7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.60	9.70	9.00	+ 6.7
Shellac, T.N., N.Y. lb	.31	.31	.34	— 8.8
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.081	.08	.086	— 5.8
Titanium dioxide, anatase, reg. carlots lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.70	+ 1.8
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	— 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.30	+ 1.6
Old corrugated boxes, dealers, Chicago, ton	25.26	25.26	17.00	+48.6
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.14	4.14	4.42	— 6.3
Glass, window, single B, 40" Bracket, box	7.00	7.00	7.09	— 1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	129.00	129.00	114.00	+13.2
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	129.00	129.00	115.00	+12.2
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.60	10.50	11.00	— 3.6
Cotton, middling, 1", N.Y., lb	.363	.362	.353	+ 2.8
Printcloth, 39", 80x80, N.Y., spot, yd	.176	.176	.176	0
Rayon, satin, acetate, N.Y., yd	.268	.268	.305	—12.1
Wool tops, N.Y. lb	1.46	1.44	1.602	— 8.9
HIDES AND RUBBER				
Hides, cow, light native, packers, lb	.155	.155	.145	+ 6.9
Rubber, #1 std ribbed smoked sheets, lb	.306	.306	.296	+ 3.4

PURCHASING WEEK is published weekly by McGraw-Hill Publishing Co., Inc., 330 West 42nd St., New York 36, N. Y. Accepted as controlled circulation publication at the Albany, N. Y., Post Office. Subscription $6 a year, in U. S. A.

Typical P.A. Uncovered in Survey; Economic, Educational Man Shown

(*Continued from page* 1)
better off than the average person on the managerial level.

- In most cases he owns his own home.
- He has an automobile, and chances are he will be buying a new one in the next year or so.

The income profile is graphically illustrated in the chart at the right. The incomes of purchasing executives and all management-type personnel are compared.

Note that for purchasing men, over 66% are making more than $7,500 a year; 37% are making over $10,000. For all management personnel (Our source is the latest Federal Reserve Board Survey of Consumer Finances,) figures show that only 51% are making over $7,500. Only 25% are making $10,000 or over.

Relatively High Position

The relatively high position of the purchasing executive is further substantiated by median income statistics. The median income of all management personnel was $7,520. For purchasing executives it was $8,898.

Educationwise, the average purchasing man queried in our survey also stacks up pretty well. The table below shows that he is well above the average for the country as a whole.

P.A. Educational Background

School Level	Attended	Graduated
Graduate school	13%	7%
College	71%	39%
High school	99%	92%

This table even looks well when compared to the educational background of the nation's top executives. In a recent McGraw-Hill survey dealing with leading executives, it was found that approximately 70% were college graduates.

True, the purchasing executives percentage was somewhat lower —only 39%. But it rises to 71% (close to the top executive figure) when you add those additional men that attended college but didn't graduate.

P.A.'s Range from 40-50 in Age

Agewise, Mr. Purchasing Man also shows up pretty well. A big 46% of all P.A.'s queried were under 40. Another 32% were in the 41-50 age bracket.

Adding these together, you find that 78% of all P.A.'s were under 50.

This age distribution is very similar to that of the country as a whole. About 50% of nonfarm employed males are in the "under 40" group. About 73% are under 50.

This close coincidence is important—because under ordinary conditions you would generally expect executives to be well above the average employed age.

The fact that purchasing executives are not is significant. Their relative youthfulness increases their chances for advancement in the managerial field.

The PURCHASING WEEK survey also turned up some interesting statistics on housing and autos.

In housing, for example, 86% of the purchasing men queried said they owned their own homes. For families in the nation with incomes of $5,000 and over the figure averaged out to only about 70%.

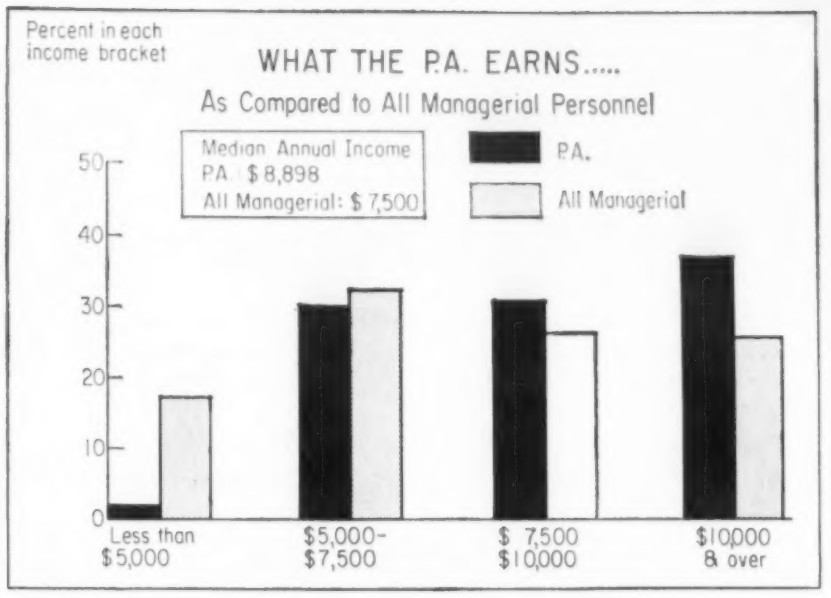
In terms of automobile ownership, too, the P.A. who responded to the survey was well above average.

Some 98% of them said they owned their own cars. For the country as a whole families of $6,000 or over owning cars averaged out about 93%.

Moreover, the purchasing executives who replied seemed pretty eager to buy a new car. Some 16% said they would buy a new automobile before 1959. The additional 48% said they would buy a new car in 1959.

Again preliminary investigation indicates that this is somewhat above the average plans of other people in similar income groups.

Finally, a word about the accuracy of this PURCHASING WEEK survey. The sample to whom the questionnaire was sent was drawn from the entire subscription list on a systematic basis to secure a representative cross-section of the subscriber audience. The fact that 36% of those queried replied further indicates a wide cross section is represented in the returns.



This Week's

Washington Perspective

OCT. 20-26

Pentagon officials are touting a new policy on the part of some defense contractors for determining whether to make or to buy components and other equipment needed on defense projects.

The practice in effect pits purchasing agents against production engineers. It is being advanced notably by American Machine & Foundry Co.

It works this way: When A.M.F. requires some material, the project manager gets production costs on the item from the company's various fabricating shops which can make it, then instructs the purchasing department to get competitive bids on the outside.

The business then goes to the best bid, whether it's A.M.F.'s own shop or an outside subcontractor.

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The Administration will challenge a new court ruling that seriously weakens the President's tariff-setting powers.

The ruling denied the President the authority to lower rate increases recommended by the Tariff Commission in escape clause cases. The President would have to accept or reject Commission proposals outright.

Escape clause cases are those arising from an appeal by a domestic industry to the Tariff Commission for a rate boost on grounds increased imports threaten to damage them.

Washington policy makers were dumbfounded by the sweeping decision. It casts doubts on many presidential tariff rulings of the past years including those granting relief to lead and zinc producers.

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Keep your eye on labor in the Nov. 4 election.

The power of labor unions is being given its biggest test ever.

The unions are mustering all they've got for the fight, spending heavily and trying to mass their members at the polls against their opponents come Nov. 4.

Many in business regard this year's election as a crucial test of union power—that the only way to check labor's strength is to increase political activity on the part of corporations.

Labor heads are frankly worried. They're on the defensive. Their big goal this year is to try to defeat proposed "right-to-work" laws which would outlaw union shop contracts in the six states where they are on the election ballot: Ohio, California, Washington, Colorado, Idaho and Kansas.

Eisenhower may turn out to be a harder hitting campaigner this year than anyone believed. In his 16-minute political peptalk to campaign workers in Washington this week, he laid down the issue in the Nov. 4 Congressional elections: The choice, he said, is between "sane, sound, logical government" under Republicans "as opposed to radical government" under Democrats.

This is in tune with the party line already laid down by Vice President Nixon and National Chairman Meade Alcorn, who have already been on the campaign trail warning about a "socialistic" drift under Democrats.

Eisenhower's campaign role is manifold:

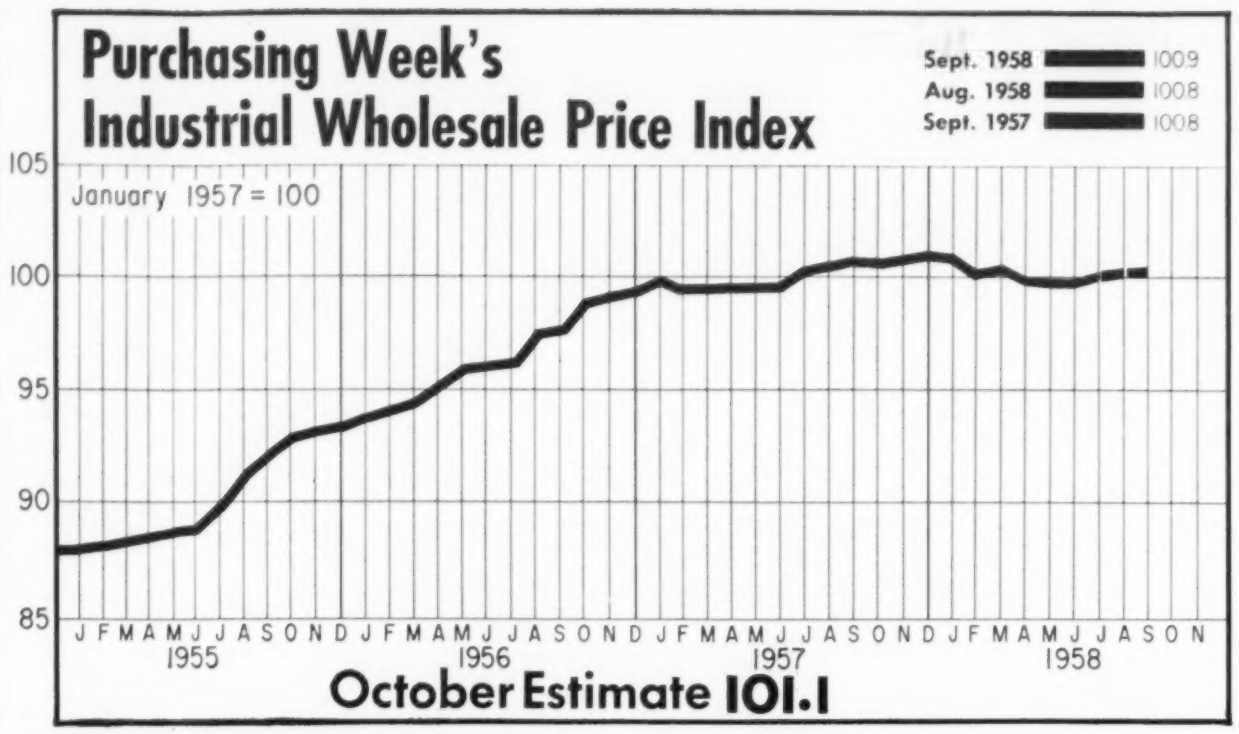
To shake loose some campaign contributions which have been exceptionally thin this year;

To help patch up the intra-party warfare such as that going on in California where Sen. William Knowland and Gov. Goodwin Knight are at each other's throats, and in Indiana where a factional G.O.P. split is doing much to help Democratic chances.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingots, thous tons	1,987	1,933*	2,070
Autos, units	34,443	34,464*	38,526
Trucks, units	11,048	14,313*	18,860
Crude runs, thous bbl, daily aver	7,723	7,507	7,744
Distillate fuel oil, thous bbl	12,292	12,276	12,401
Residual fuel oil, thous bbl	6,613	6,709	7,313
Gasoline, thous bbl	27,636	26,563	27,363
Petroleum refineries operating rate, %	82.7	81.3	86.1
Container board, thous tons	158,450	161,062	155,552
Boxboard, thous tons	150,345	147,883	144,370
Paper operating rate, %	89.9	92.8*	90.4
Lumber, thous of board ft	253,817	262,129	218,599
Bituminous coal, daily aver thous tons	1,401	1,483	1,709
Electric power, million kilowatt hours	12,067	12,111	11,709
Eng const awards, mil $ Eng News-Rec	248.1	353.1	312.3

* Revised.



A GENERALLY STABLE TREND between August and September keynoted Purchasing Week's Industrial Wholesale Price Index. The slight upward push was caused by minor increases in wholesale prices of textile products, lumber, concrete products, and industrial materials handling equipment.

New Plastics Give P.A.'s Added Value

Portsmouth, N. H.—New plastic materials now in production and those on the horizon are expected to offer purchasing agents in many industries a "direct path" to important values.

Plastics producers looked to the future at the 14th meeting of the New England section of the Society of the Plastics Industry, Inc., Oct. 9-10. They agreed that a compact educational and sales program should be developed to "awake" P.A.'s to new possibilities in plastics.

Among the new plastic materials discussed at the meeting were boron compounds, teflon bonded ceramic fibres, sintered nylon, polyethylene, polypropylene, and acrylic resins.

High Temperature Plastic

It was reported that work is progressing rapidly on some semi-organic polymers based on boron and phosphorous to make available very high temperature plastic materials, some of which are reported as stable up to 900 F.

Producers said sintered nylon products are gaining ground in the mechanical product field. New applications include bearings, cams, gears, seal rings, thrust washers, rollers sliding shoes, piston rings, pump vanes, etc.

Corrosion Resistant Plastic

Another plastic that is expected to compete with many metals in the corrosion equipment fields is chlorinated polyether. It has been credited with a high degree of abrasion resistance, excellent dimensional stability not affected by moisture pickup, and easy fabrication.

Newly developed markets for this material include proximity fuse front cases, valves, pipe, precision gears, protective coatings, and tanks.

Much time was spent analyzing the development of polyethylenes. It was felt that a whole field of copolymers and alloys of the low pressure polyethylenes in the future will introduce a number of important additional benefits—such as more uniform shrinkage, greater transparency, and added resistance to environmental stress cracking.

This Month's Industrial Wholesale Price Indexes

Item	Sept. 1958	Aug. 1958	Sept. 1957	% Yrly Change
Cotton Broadwoven Goods	94.2	94.2	96.8	— 2.7
Manmade Fiber Textiles	97.1	97.5	100.2	— 3.1
Leather	103.5	103.8	103.9	— .4
Gasoline	98.6	98.5	102.3	— 3.6
Residual Fuel Oils	78.7	78.7	95.9	—17.9
Lubricating Oils	96.7	96.7	106.7	— 9.4
Inorganic Chemicals	101.5	101.5	100.3	+ 1.2
Organic Chemicals	98.4	98.4	99.9	— 1.5
Prepared Paint	103.3	103.3	103.2	+ .1
Tires & Tubes	102.5	102.5	103.2	— .7
Rubber Belts & Belting	99.3	99.3	99.2	+ .1
Lumber Millwork	99.4	98.5	99.7	— .3
Paperboard	100.2	99.9	100.0	+ .2
Paper Boxes & Shipping Containers	101.9	101.9	100.8	+ 1.1
Paper Office Supplies	101.2	101.2	101.2	0
Finished Steel Products	109.1	109.0	106.1	+ 2.8
Foundry & Forge Shop Products	104.7	104.7	105.2	— .5
Non Ferrous Mill Shapes	91.0	91.1	92.6	— 1.7
Wire & Cable	85.9	82.6	91.4	— 6.0
Metal Containers	105.7	105.6	103.8	+ 1.8
Hand Tools	107.6	107.5	104.2	+ 3.3
Boilers, Tanks & Sheet Metal Products	98.0	98.2	99.6	— 1.6
Bolts, Nuts, etc.	109.2	109.5	109.8	— .6
Power Driven Hand Tools	103.2	103.2	103.3	— .1
Small Cutting Tools	101.6	101.3	103.8	— 2.1
Precision Measuring Tools	106.1	106.1	105.2	+ .9
Pumps & Compressors	104.5	104.5	102.5	+ 2.0
Industrial Furnaces & Ovens	112.4	111.3	108.1	+ 4.0
Industrial Material Handling Equipment	103.0	103.1	102.8	+ .2
Industrial Scales	104.8	104.8	104.8	0
Fans & Blowers	103.2	103.2	100.2	+ 2.0
Office & Store Machines & Equipment	103.2	103.2	102.4	+ .8
Internal Combustion Engines	103.8	103.8	101.5	+ 2.3
Integrating & Measuring Instruments	110.9	110.9	107.3	+ 3.4
Motors & Generators	104.6	104.6	102.2	+ 2.3
Transformers & Power Regulators	101.4	101.4	102.9	— 1.5
Switch Gear & Switchboard Equipment	105.7	105.7	103.8	+ 1.8
Arc Welding Equipment	105.0	105.0	101.4	+ 3.6
Incandescent Lamps	110.0	110.0	110.6	— .6
Motor Trucks	105.8	105.8	101.4	+ 4.3
Commercial Furniture	105.5	105.5	104.6	+ .9
Glass Containers	106.3	106.3	100.0	+ 6.3
Flat Glass	99.7	99.7	100.0	— .3
Concrete Products	101.8	102.2	100.6	+ 1.2
Structural Clay Products	105.0	103.3	102.9	+ 2.0
Gypsum Products	104.7	104.7	100.0	+ 4.7
Abrasive Grinding Wheels	100.3	100.3	92.5	+ 8.4
Industrial Valves	102.9	102.6	97.3	+ 5.8
Industrial Fittings	100.8	100.8	100.2	+ .6
Anti-Friction Bearings & Components	99.2	99.2	98.5	+ .7

Pentagon Studies Buying Proposal; Saltonstall Plan May Cut Red Tape

Bill Gives Prime Contractors Too Much Power; Military Officials Cite Unlimited Authority

Washington — Pentagon procurement experts are now studying the highly-touted proposal of Sen. Leverett Saltonstall (R., Mass.) to overhaul military buying practices.

Saltonstall, ranking Republican on the Senate Armed Services Committee, introduced a bill two months ago, just before Congress adjourned, aimed to cut out red tape in military contracting and to speed up research and development.

The bill provides for:

1. Increased use of negotiated, fixed-price contracts with special incentives for production cost reductions.

2. Wider application of the "weapon system management concept," granting increased powers to prime contractors.

3. Other procurement reforms to cut lead times on major types of equipment.

No Action This Year

In introducing the bill, Saltonstall said he recognized Congress would have no time to consider the measure this year. His objective, he said, was to allow time for serious study of the plan by the Defense Department in the months ahead. His intent was to incorporate military reactions to the proposal into a similar bill to be introduced in January when Congress convenes.

A special Pentagon committee studying Saltonstall's proposal is due to report on it this month to Perkins McGuire, Assistant Secretary of Defense for supply and logistics. The report will then be sent to the Senate Armed Services Committee.

According to Pentagon insiders, the Defense Department's reaction to the Saltonstall bill is this: While the bill's objective—to streamline procurement practices, cut red tape, and thus reduce lead times—is commandable, the proposal goes "too far in granting prime contractors unlimited authority."

Indeed, Saltonsall's proposal to extend the weapon system management concept comes at a time when many officials in the Pentagon's top echelon are souring on the scheme. There's been a trend in recent months, in fact, to clamp new controls on weapon system prime contractors.

The Saltonstall bill also flies in the face of efforts by Rep. F. Edward Hebert (D., La.), Chairman of the influential House Armed Services Investigating Subcommittee, to:

1. Discourage use of negotiated procurement in favor of more advertised competition.

2. To curb widespread application of weapon system management.

Hebert and other critics claim weapon system management, and its implication of broader powers for the prime contractors, "squeezes small business out of defense procurement."

Seek Standardization Test Funds

Raleigh, N. C.—The North Carolina State Division of Purchase and Contract will ask the 1959 North Carolina legislature to provide for funds to activate standardization and testing programs.

The State Department of Administration, in a report to the governor, argued standardization in purchasing is desirable to establish a proper value relationship between price and quality. In seeking a testing program by which samples of items being considered for purchase can be thoroughly examined, the department pointed out that some testing now is done on contracts with outside agencies.

Reviewing the 1957-58 activities of state purchasing agent, W. R. Henderson, the Department of Administration's report stated Henderson developed new procedures for establishing bidders' financial responsibility; prepared booklets for bidders on how North Carolina makes purchases; issued manuals to insure uniformity of purchasing operations by state agencies; and improved procedures for buying office machines, gasoline, meat and poultry, asphalt, drugs, tires, and other items.

Inventories Dropping But at a Slower Rate

Washington—Business inventories continue to decline—though at a somewhat slower rate than in the second quarter. According to new Commerce Department figures, total business (retail, wholesale, and factory) stocks declined to $85.4 billion by Sept. 1—down $500 million from the previous month.

Biggest drop was recorded in factory stocks. A small decilne was also recorded in retail holdings—partcularly by auto dealers. Details are given in the table below.

Total Business Inventories*

(Billions of dollars)

	July	Aug.
Total	**85.9**	**85.4**
Manufacturing	49.8	49.5
Durable	28.3	28.1
Nondurable	21.5	21.3
Wholesale	12.1	12.1
Durable	6.2	6.2
Nondurable	5.9	5.9
Retail	24.0	23.9
Durable	10.7	10.6
Nondurable	13.3	13.2

**End of month seasonally adjusted data detail may not add to total due to rounding.*

Lighting

How to Buy From Among The Many

There is no pat formula that will tell a purchasing man how to buy lighting equipment. First of all, there's a bewildering array of lamps available. And the variety of fixtures for making efficient use of the lamps is almost beyond number. Nevertheless, a buyer's guide can be set up.

The table, right, summarizes industrial and office light sources. The table headed How Much Light You Need describes light levels needed for various jobs. Taking the light sources one-by-one, here's what you have to know about them:

FLUORESCENT

Fluorescent lamps provide a diffuse distribution of light over a comparatively long life time. Lamp life is a function of the frequency of lamp starts rather than number of hours operated.

They come in several "white" types for general-purpose lighting, soft, warm, standard (3,500 K color temperature), cool (4,500 K), daylight, deluxe warm, and deluxe cool. The deluxe lamps have a warm pink or yellow color added to help offset the characteristic cool blue-green color of uncorrected lamps.

Rapid start lamps are most popular industrially. The new extremely-high output lamps (last type in table above) are expected to cut the unit cost for light. They are also expected to meet the demand for higher lighting levels by industry. The same lamp from one manufacturer to another puts out the same amount of light and has the same life. But one manufacturer makes a definite claim for more light per foot of lamp for its extremely high output fluorescents.

All fluorescent lamps depend on a ballast unit for operation. In addition to a ballast, the preheat type needs a starter. Ballast units limit the current to the lamp. They also can perform the function of matching the line voltage to the lamp voltage.

How to specify — Standard designations for fluorescents are used by all lamp manufacturers. Here's an example: F40 T12/CW designates a fluorescent lamp, 40-watt preheat start, 12/8 in. dia., cool-white color. Designation for a rapid start lamp adds the code RS after the color code.

Slimlines are specified in terms of length rather than wattage: F72 T6/CW; 72 being the length in inches. High output lamp designation includes the length but adds the code HO. The extremely high output designation also substitutes length for wattage with the code PG, VHO, SHO (depending on the manufacturer's trade name) included as part of the designation. Additional codes are used depending on special characteristics of the lamp. All are clearly explained in the manufacturer's catalog.

Prices: Besides varying with length, wattage, and type, prices also depend on color. Cool-white is cheapest. Lamps colored other than "white" are the most expensive.

MERCURY VAPOR

Long life, averaging 6,000 hr., is one feature of mercury vapor lamps. Compared with incandescent lamps, their efficiency is better than twice as high. Mercury vapor lamps provide high light output per lamp and are available in a range of sizes to meet a variety of lighting applications. Color-corrected types are growing in popularity.

All mercury vapor lamps require a ballast unit. The only exception is Fluomeric (Duro-Test Corp.) It combines an incandescent filament with a mercury-vapor arc. The filament adds color correction to lamp output and also serves as a ballast. Fluomeric is available in 450- and 750-w. sizes. The 450 w. is priced at $39.50; the 750 w. is available clear or reflectorized at $49.50.

How to specify—Standard designations at the moment are in a state of flux. The American Standards Association recently set up a standard designation consisting of three basic sections followed by optional information. Thus: H (for mercury), Number (ballast or transformer type), two letters (lamp characteristic). The A.S.A. system does not distinguish between various types of phosphor-coated lamps; that is up to the manufacturers. New catalogs describing the A.S.A. standards are in the works by the various manufacturers.

Prices—At a given wattage prices depend on whether the lamp is clear, color-corrected, or reflectorized. The reflectorized type generally commands the higher price.

INCANDESCENT

Light distribution for this source can be controlled fairly accurately. Rated life is low—750 hr. for small lamps, 1,000 hr. for large lamps, and 2,000 hr. for certain industrial lamps. The latter are useful in situations where the lamp is difficult to maintain. Reflector-type lamps do away with the need for a separate reflector and reflector maintenance. This also is a feature worth considering for certain applications.

Light output varies considerably with changes in voltage—the lower the voltage, the less the light. It might pay you to check line voltages before specifying lamp wattages.

How to specify—Incandescents are specified in terms of wattage and bulb type or shape. For instance 500/R/52 for 500 watt lamp, reflector, 52/8 in. dia. Several different voltages are also available and should be specified separately. Again, the manufacturer's catalog is your best guide to lamp ordering designations.

Prices—They vary mainly with lamp wattage.

Discounts and purchase contracts—The three largest lamp manufacturers sell their product through a system of contracts and purchase agreements with various types of buyers—wholesalers, OEM, utilities, industrials, large etailers, contractors. Most indus-

Lighting Sources Available to Purchasing Men

Source	Type	Features	Size	Single Unit Price*
Fluorescent	Preheat start	Takes few seconds to light. Starter and ballast required. Becoming outmoded. Wattage 15, 20, 25, 30, 40, 90.	18, 24, 33, 36, 48, 60 (in.)	$1.00 to $3.00
	Rapid start	No starter required. Ballast needed. Most popular 48 in. lamp. Wattage 30, 40.	36, 48 (in.)	$1.30 to $1.65
	Slimline	First type available longer than 60 in. One 96-in. lamp puts out more light than two 48 in. lamps at same wattage. Brightness can be varied through control of lamp current. No starters required. Ballast needed.	42, 48, 64, 72, 96 (in.)	$1.90 to $4.30
	High output	Offers 40% more light per foot compared with slimlines. Rapid start. Ballasts needed.	48, 72, 96 (in.)	$2.45 to $3.95
	Power groove, Very high output, Super high output	Most light per foot. 2½ times light per foot compared with slimlines. Rapid start. Ballasts needed.	48, 72, 96 (in.)	$4.95 to $6.50
Mercury Vapor	Clear glass	Emits characteristic blue-green light. Ballast unit needed.	100, 175, 250, 400, 700, 1,000, 3,000 (watts)	$12.75 to $59.00
	Color corrected	Phosphors add red color to blue-green, improve color. Trend toward this type. Ballast unit needed.	400, 700, 1,000 (watts)	$23.00 to $54.50
	Reflector	Silvered reflector offers no color correction. Phosphor reflector adds color improvement.	400, 1,000 (watts)	$25.50 to $53.50
Incandescent	Clear	Point source of light. General service 750-hr. life in 200, 300-w. sizes. Others in 1,000 or 2,000-hr. life. 2,000-hr. life classed as special service. Some sacrifice in light output. Standard voltage, 120. Other voltages, 230 and 250 available.	200, 300, 500, 750, 1,000, 1,500 (watts)	$0.38 to $4.50 (750 and 1,000 hr. life); $3.00 to $5.70 (2,000-hr. life)
	Inside frosted	Diffuses light. Same life figures as clear.	200, 300, 500, 750, 1,000, 1,500 (watts)	$0.40 to $4.65 (750 and 1,000 hr. life); $3.30 to $6.00 (2,000-hr. life)
	Reflector	Built-in reflector does away with fixture, simplifies maintenance. All 2,000-hr. life.	150, 200, 300, 500, 800, 1,000 (watts)	$1.50 to $5.90

* Price ranges discussed in text below.

How Much Light You Need In Your Plant

(In terms of severity of visual tasks)

Specialized tasks—7,000 footcandles* and above. Major surgery. Combating show window reflection in daytime. Spotlighted feature displays.

Most severe—500 to 1,500 footcandles. Highlighting. Color identification. Watch making. Special inspection.

Very severe—500 to 1,000 footcandles. Color work. Display lighting. Extra fine assembly, testing and inspection.

Severe and prolonged—200 to 500 footcandles. Fine assembly, testing and inspection. Fine drafting. Show windows. Feature displays.

Medium severe—100 to 200 footcandles. Proofreading. Counter displays. Drafting. Automatic machinery. General assembly, testing and inspection.

Moderately severe—50 to 70 footcandles. General fabrication. Rough assembly, testing and inspection. Classrooms. Library reading rooms. Stores.

Casual seeing—30 to 50 footcandles. Auditoriums. Cafeterias. Conference rooms. General processing. Casual desk work.

Service areas—15 to 30 footcandles. Rough work. Washrooms. Stock rooms. Shipping and receiving. Dining areas.

Outdoor areas—10 footcandles or less. Parking lots. Construction. Protective. Also hallways and corridors; TV viewing; night clubs.

** Footcandle is the unit of illumination. Source: Bulletin LS-119 General Electric Co., Electrical Construction & Maintenance, Illuminating Engineering Society.*

This Changing Purchasing Profession

trial buyers buy through wholesalers. Discounts to purchasing executives without contract are:

Size of order at list:
$5 to $15 — 20%
$15 and over but less than a standard package — 25%
Order containing at least one standard package — 30%

Obviously it pays to order in standard packages. And standard packages expedite delivery.

Industrial and commercial buyers purchase under a so-called E contract (General Electric Co., Westinghouse Electric Corp.; Sylvania Electric Products, Inc., offers a purchase agreement with much the same features). Discounts range from 30% for a less than $500 purchase to 41% for a $200,000 or over purchase. E contract or purchase agreement holders purchase through an authorized supplier who is named in the contract. Deliveries match the buyer's requirements.

These are the advantages: One large order assures the maximum discount, guaranteed source of supply, one billing. Contracts do not limit the purchaser to one lamp brand.

Virtually no price competition exists in large lamps. The industry's price leader follows a historical policy of cutting its prices to maintain its market position. Other manufacturers then meet the price cuts.

FIXTURES

Either the term fixture or luminaire is used to describe the device that controls the light source. These are the things you should consider when you buy: efficiency, durability, ease of maintenance, and attractive appearance.

Overall efficiency of luminaires varies from a high of about 90% downward. Manufacturer's data sheets list light output. Reflectors should have a permanent reflecting surface. Diffusing media should be durable, highly translucent, and should present an evenly lighted appearance. Gage of metals should be adequate for necessary rigidity. Proper ventilation is also a must.

Luminaires that are easy to maintain generally have easily removable louvers and panels. Ballasts also should be readily accessible.

Other factors to take into consideration: hanger length for fixtures suspended from the ceiling; lamp sockets to match the bases of the lamps you will use; components—sockets, switches, ballasts—from a reputable manufacturer.

Price dominates the fixtures markets. There are many companies in the business struggling for a place in the market. And buyers are steadily pressuring for lower prices.

Fixtures are either stock items, frequently of a standard type, or products which are specially designed and custom made. Specialty lines generally carry a higher markup than standard lines.

Prices of fixtures are usually quoted f.o.b. factory, freight allowed, on shipments of 200 lb. or more. Some companies allow freight on shipments of 100 lb. or more.

Thanks to these companies for their help: Champion Lamp Works, Duro-Test Corp., General Electric Co., Sylvania Electric Products, Inc., Westinghouse Electric Corp.

HOMER PERKINS

Stanley Home Products Advances Homer Perkins

Westfield, Mass.—Homer Perkins, acting director of purchasing for Stanley Home Products, Inc., has been named director of purchasing.

Albert L. MacLean, assistant purchasing agent since 1944, has been promoted to purchasing agent. He is a vice president of the N.A.P.A.

Perkins is also secretary of the firm and a member of the board of directors.

E. M. GORDON

United Air Lines Shuffles Staffs at Chicago and S.F.

Chicago—New assignments have been made in the purchasing and stores department of United Air Lines at San Francisco and Chicago.

At San Francisco E. M. Gordon has been named assistant to the vice president-purchasing and stores. N. J. McMahon succeeds Gordon as manager of purchasing and stores. C. L. Vaudrey has been appointed purchasing manager; D. F. Snyder, stores manager; and L. B. Bryant, assistant stores manager.

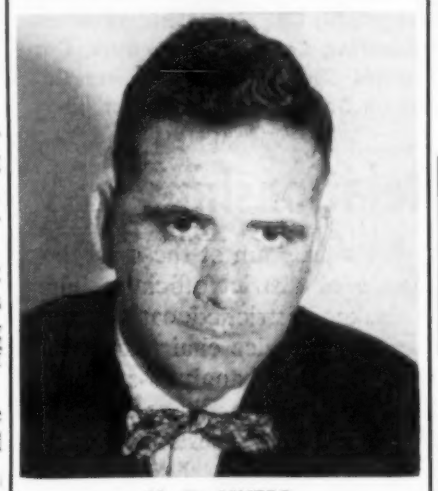
At Chicago D. B. O'Connell is purchasing manager; H. W. Bentson, stores manager; D. H. Tallman, superintendent of system stores; and W. O. Buehler, superintendent of system purchasing.

N. J. McMAHON

Myers and Lint Named At Diamond Alkali Co.

Cleveland—There have been two new staff appointments in Diamond Alkali Co.'s purchasing department.

Henry T. Myers has been appointed manager of the purchasing contract section and will be responsible for all construction contracts. Myers had been a buyer and expediter since 1951 at the Deer Park, Texas, plant.



H. T. MYERS

Joseph J. Lint has joined the department as a staff assistant. In addition to assisting the manager of purchasing research in value analysis, Lind will also hold certain buying responsibilities in the department's equipment section.

Obituaries

H. J. Lavner

North Tonawanda, N. Y.—Hyman J. Lavner, 62, former executive director of the purchasing department, Westinghouse Electric in Syracuse, N. Y., for 25 years died Sept. 30. In recent years he was vice president of the Electric City Paper Mills in North Tonawanda.

W. L. Hewes, Sr.

Wilmington, Del.—William L. Hewes, Sr., 73, assistant director of purchases, Hercules Powder Co., from 1914 until his retirement in 1950, died Oct. 4.

A 41-year veteran at Hercules, he first joined the company as an accountant and four years later became assistant purchasing agent.

S. L. Remlein

New York—Stanley L. Remlein, 61, purchasing agent for Oakite Products, Inc., died Sept. 29.

Remlein, who served as purchasing agent for more than 30 years at Oakite, joined the firm in 1916 when it was only seven years old.

A member of the N.A.P.A., he was the 23rd oldest member in point of service of the New York Purchasing Agents Association and had served on the association's entertainment and membership committees.

He is survived by his wife and a brother.

MRS. DOROTHY BOLAND, Cook County, Ill. P.A., center, tastes canned food at hospital as assistants take part in inspection.

A P.W. Profile

Dorothy Boland, Housewife, Buys Supplies for Cook County, Ill.

Many paths lead to purchasing. What is a more natural entree to public buying than a taxpayer concerned with how the money is spent?

Prior to 1943, Mrs. Dorothy Boland was a housewife in Cook County, Ill. She also was a staff member of the Civic Federation. The federation is a privately financed taxpayers' committee acting as unofficial watchdog of public expenditures. Today, Dorothy Boland, a trim brunette who doesn't look her 54 years, is purchasing agent of Cook County. The transition has been a natural one.

At the time of Mrs. Boland's membership in the federation, that group plugged to take the then politically tainted county purchasing department out of politics. As a result of this drive, Mrs. Boland moved into the county building to help set up a a new system.

At first, she was assistant to then P.A., John F. Ward. When Ward became head of Chicago purchasing department in 1951, Mrs. Boland took over the county job.

Dorothy Boland is now a housewife who buys canned goods by the carload and meat by the ton. Her 7,000-member family comprises inmates of Cook County institutions.

Mrs. Boland thrives in purchasing, and she thinks more women should get into the field.

"Women are a little more patient than men, and they don't omit details that men are prone to do," she says.

Since she has become county purchasing agent, Mrs. Boland has been spending about $10-million a year for county supplies. Her purchases are diversified. Everything from cornflakes, brooms, and shoe laces to suspenders, coal, squad cars, and diapers.

Mrs. Boland can let bids for any item under $2,500, but she must submit all bids for larger orders to the county board for approval. Her neat fifth-floor county building office is stacked any day with samples of foods and materials. Every three months she personally goes on a food-tasting tour of the various county institutions to make sure that proffered samples meet specifications.

She prides herself on simplifying "specs" for goods that the county buys.

"Did you ever look at a government specification?" she says with a smile. "The vendor and everybody else is confused by the time he gets through with it.

"We've made our specs uniform and simple so that everybody can understand them."

Still conscious of value for the tax dollar, Mrs. Boland takes credit for setting up a strict inspection system.

"I don't care how alert a purchasing agent is," she says. "Without proper inspection methods he just can't do a really top notch job.

"We have on-the-spot inspection every day, and the word has gone out to vendors who make sure their merchandise meets our specs."

Although she rides herd on a staff of 38, Dorothy Boland is likely to do her own inspection any time. She has a scale in her office along with other equipment to give suspected merchandise a fast once-over.

Vendors, as a whole, are happy with Mrs. Boland. They know they get a square deal from her. She goes for no nonsense, but anyone with a legitimate product can get a hearing from her.

The county board, a group of politicians, have been happy with her and leave her alone to do her work. "I'm no politician," she says. "If I make any errors I can blame only myself."

She takes no small pride in the fact that in her seven years as boss of the department, the county board has never once over-ruled her recommendations.

But how does the amateur tax-money sleuth turned pro handle her own housewife shopping?

"I'm afraid I'm not very good at it. It's a chore. I guess I don't take out enough time for it."

But Mrs. Boland takes enough time to fulfill the implied promise made to Cook County taxpayers when she entered public buying.

VALUE ANALYSIS STANDARDIZATION COMMITTEE includes, left to right, seated, Peter Heaney, DeJur Amsco Corp.; E. Philip Kron, Eastman Kodak Co.; Freeman Hudson, American Cyanamid Co.; J. E. Fitzgerald, Corning Glass Co.; and Magne Amundsen, Sager-Spuck Supply Co. Standing, Warren Smith, Stecher-Traung Lithographic Co.; Harry Shahnazarian, Esso Research Engineering Corp., William Burk, Carborundum Co.; Richard Shultz, Solvay Process Co.; Ray Lawson, American Bosch Co., 9th District guest.

N.Y. Groups Aim at Closer College Relationships

Inlet, N. Y.—New York area purchasing groups this year will seek closer relationships with colleges and universities. They will also try to develop on a district-wide basis a purchasing course that can be carried on by each local N.A.P.A. association.

The N.A.P.A. 8th District Education Committee emphasized this plan at the District's education, value analysis-standardization, and public relations joint workshop held here in September.

The value analysis-standardization group discussed the need for expanded local committee groups to reach more members with a message encouraging the use of standards and value analysis in their own jobs and throughout their companies.

The public relations session highlighted a detailed study of a plan to achieve the major objectives of N.A.P.A. It pinpointed how local association public relations men can help build the professional stature of the P.A.

Twenty-five local association committee men prepared their year's program at the workshop under the guidance of district officials. They were George W. Baker, district education chairman, and Walter Willets, vice chairman; Freeman B. Hudson, Jr., value analysis-standardization chairman, and J. E. Fitzgerald, vice chairman; and Donald C. Robertson, District public relations chairman. J. Dukehart Chesney, N.A.P.A. 8th District vice president presided at the discussion outlining the cooperative efforts of the three groups.

Also participating in the workshop were Dwight Brooks, vice chairman, national committee on education; E. Philip Kron, eastern vice chairman, national committee on value analysis-standardization; and Gailon Fordyce, second vice president of the New York association.

Others included E. C. Drew, president of the Syracuse and Central New York Association; F. Stan Romanse, president of the New York Association, and Lyman H. Davis, president of the Buffalo Association.

Value Analysis, Standards Urged On Atlanta Group

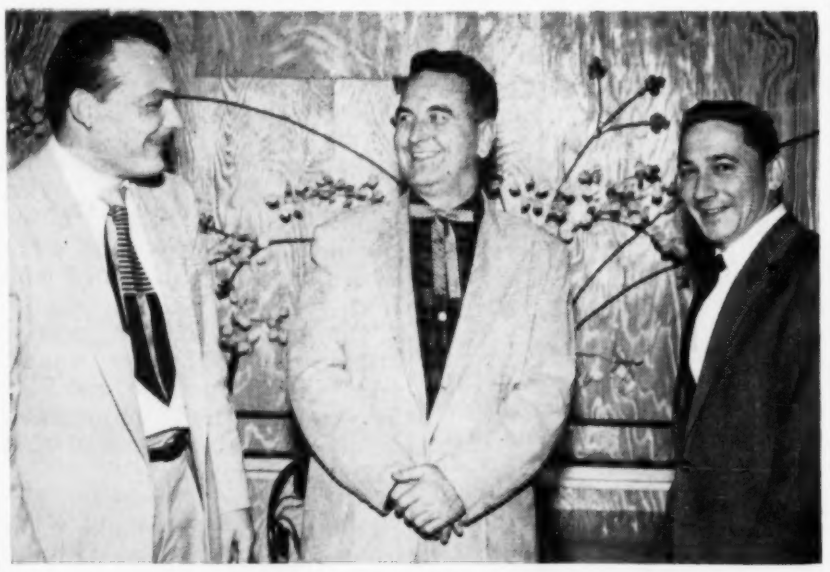
Atlanta — Purchasing agents have a continuing lack of understanding of two important purchasing tools—value analysis and standardization, according to Harlan E. Cross, P.A. for U. S. Pipe & Foundry Co., Birmingham.

In discussing the matter at the Sept. 12 meeting of the Georgia Association of Purchasing Agents, Cross, N.A.P.A. national chairman of the value analysis-standardization committee, said in many instances P.A.'s regard them as "hazy words with little actual meaning" and consequently label them as impractical.

Actually, he said, most P.A.'s have been using these tools to a limited degree in their procurement procedures without realizing it.

"All that is now needed," he pointed out, "is a further understanding of how more concentrated efforts by their purchasing departments on just two steps would lead to a much more intelligent type of buying with resultant cost savings."

The two steps Cross gave were the actual analysis of material and equipment functions and values, and the agreement upon and setting up of clear purchasing standards.



Air Transport P.A.'s Study 'Bogus Parts'

Evergreen, Colo.—Purchasing agents for local service airlines reviewed the problem of "bogus parts" at the first annual meeting of the local service purchasing subcommittee Sept. 6.

The airlines buyers also dealt with inventory financing and the problems of purchasing and provisioning for new aircraft.

Local service airline purchasing agents must deal primarily with needs of the DC-3 (C-47) transport, still the "workhorse" of the local service group. Bogus parts comprise a problem which arose when the surplus market began to evaporate. In some instances unscrupulous dealers have parts manufactured which are not necessarily up to original specifications.

Three members of the Air Transport Association of America's Local Service Purchasing Subcommittee are discussing problems. They are left, Howard Fowler, Northern Consolidated Airlines, Anchorage, Alaska; B. E. Foster, Frontier Airlines, Denver, Colo.; and Bill Barber, Piedmont Airlines, Winston-Salem, N. C.

Frontier Airlines' director of purchasing and stores, Foster, hosted the meeting at his cabin here.

Dallas P.A.'s, Salesmen Urged To Exchange Job Descriptions

Dallas—Purchasing executives and salesmen were urged to exchange job descriptions to help end many misconceptions in everyday dealings with each other.

This was one of the points put across by Dr. William J. E. Crissy, president of Personnel Development Institute, Inc., New York City, in a speech before the joint meeting of the Purchasing Agents Association of Dallas and the Dallas Sales Executives Club Oct. 3.

There is a premium on purchasing and sales executives keeping each other informed, Dr. Crissy told the group. Each has a primary obligation to see that the buying-selling process flows smoothly.

"The purchasing agent has an awesome responsibility in this capacity, because he mirrors the corporate personality of his company to so many people," he emphasized. "His duties are twofold. First, he has the continuing task of determining the needs and wants of his company. Second, he must become a knower in the market place of where he can buy to best advantage," Crissy said.

A P. A. gains knowledge from each salesman who calls. Crissy said, "The P. A. should share any information that would be of help to the salesman so long as he does not violate vendor confidences or company know-how."

In pointing out misconceptions between the two groups because of lack of communication, Crissy said the salesman doesn't understand fully the P. A.'s job and the many demands on his time in addition to vendor interviewing. He often misunderstands the thinking behind the P. A.'s policy of having multiple suppliers. He naturally wants to sell all of a certain product, but the P. A. has the problem of insuring several sources of supply in case of strikes.

"Too often the salesman looks on the P. A. as an enemy, a roadblock to people in the company he wants to see," Crissy pointed out. This is especially true in the case of a salesman who has a second profession such as engineering. He doesn't realize that the P. A. wants him to see the technical people in his company, but only after he proves the visit would be commercially prudent and not a waste of time.

The purchasing executive, on the other hand, misperceives the investment of time the salesman has in making call after call, doing design work on special items, or in performing duties which should be peculiarly the P. A.'s own.

Outlooks differ on the matter of price, Crissy said. The salesman who loses a sale in spite of having the lowest quotation often doesn't realize the P. A. is buying quality control, prompt delivery, and follow-through as well as price, he concluded.

Upturn Will Continue Into '59, Land Says

Pittsburgh—A business upturn has started and probably will continue through 1959, James N. Land, senior vice-president of Mellon National Bank & Trust Co., told the first fall meeting of the Purchasing Agents Association of Pittsburgh Sept. 16. Land said he based his forecast largely on the fact that business inventories have been sharply reduced since the first half of 1957.

Predicting that a new period of inventory accumulation will begin not later than the first quarter of 1959, and possibly during the last quarter this year, Land also cited a number of other favorable business indicators.

He asserted auto sales will be "distinctly better" next year and that defense spending will continue to rise.

New England Conference At Providence, Oct. 22

Providence, R. I.—Plans are being finalized for the New England Purchasing Conference here Oct. 22. The conference is being sponsored by four N.A.P.A. affiliated associations: Connecticut, New England, Rhode Island, and Western Massachusetts, with Rhode Island hosting.

Some of the speakers listed for the occasion include Albert L. MacLean, P.A. for Stanley Home Products and N.A.P.A. District 9 vice president, and William E. Hogan, associate professor of law at Boston College Law School, who will discuss legal aspects of purchasing.

There will be panel discussions on value analysis and standardization, and "You, the P.A." as well as addresses by N.A.P.A. president Gordon B. Affleck, and executive secretary-treasurer G. W. Howard Ahl.

Oregon P.A.A. Schedules Special Classes Series

Portland, Ore.—The education committee of the Purchasing Agents Association of Oregon has planned a series of four special classes for P.A.'s.

Dates and subjects of the workshop sessions are Oct. 21, purchasing methods; Nov. 11, purchasing department organization; Nov. 25, the purchasing department manual; and Dec. 2, value analysis.

The sessions will be held at the Benson High School Library here from 7 to 9 p.m., and will be taught by members of the P.A.A.O. education committee.

Louisville P.A.'s Want To Find New Products

Louisville, Ky. — Louisville purchasing agents want responsibility for finding new products for use by their company. They said so in a spot check survey made at the September meeting of the Purchasing Agents Association of Louisville.

Out of 68 P.A.'s polled, 51 said they believe purchasing departments should have new products responsibility. But most qualified their "yes" answers by adding that such responsibility "must be shared by all management people at the top level and should never be restricted to any one individual."

Meetings You May Want to Attend

First Listing

Purchasing Agents Association of Central Michigan—Purchasing Seminar, co-sponsored by Michigan State University, East Lansing, Mich., Oct. 27-31 and Nov. 10-24.

Purchasing Agents Association of Toledo—Annual Serv-A-Show, Civic Auditorium, Toledo, Nov. 4-6.

American Management Association — Workshop Seminar (two sessions), Organization and Management of the Purchasing Department, Hotel Astor, New York, Nov. 10-12 and Dec. 15-17.

Purchasing Agents Association of Cleveland—Purchasing-Sales Night, Hotel Carter, Cleveland, Nov. 20.

American Management Association — Advanced Workshop on Management of the Purchasing Department, Hotel Astor, New York, Jan. 12-14.

American Management Association — Workshop Seminar, (two sessions), Organization and Management of the Purchasing Department, Hotel Astor, New York, Feb. 9-11 and March 18-20.

Purchasing Agents Association of St. Louis—St. Louis Products Display, Sheraton-Jefferson Hotel, St. Louis, Feb. 12-13.

American Management Association — Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

Purchasing Agents Association of Indianapolis—1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

Previously Listed

OCTOBER

Society of Automotive Engineers—National Transportation Meeting, Lord Baltimore Hotel, Baltimore, Oct. 20-22.

National Business Show—Coliseum, New York, Oct. 20-24.

National Safety Council—46th National Safety Congress and Exposition, Chicago, Oct. 20-24.

Purchasing Agents Association of Chicago—Purchasing Workshop, co-sponsored by Illinois Institute of Technology, Department of Business and Economics, Chicago, Oct. 21-22.

Dayton Association of Purchasing Agents—3rd Annual Procurement Conference, co-sponsored by University of Dayton, Dayton, Ohio, Oct. 23-24.

National Association of Purchasing Agents, 9th District — Purchasing Conference, Sheraton-Biltmore Hotel, Providence, R. I., Oct. 22.

Petroleum Industry Purchasing Management Seminar—Purchasing Agents Association of Tulsa in conjunction with the University of Tulsa, Western Hill Lodge, Wagoner, Okla., Oct. 22-24.

American Institute of Supply Associations—Annual Convention, Roosevelt and Jung Hotels, New Orleans, Oct 26-29.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

NOVEMBER

Canadian National Packaging Exposition—Automotive Building, Exhibition Grounds, Toronto, Nov. 4-6.

National Electrical Contractors Association—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

Instrumentation Conference and Exhibit — Biltmore Hotel, Atlanta, Nov. 17-19.

Society of the Plastics Industry—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

9th National Conference on Standards — Hotel Roosevelt, New York, Nov. 18-20.

National Retail Lumber Dealers Association—5th Annual Building Products Exposition, International Amphitheatre, Chicago, Nov. 22-25.

DECEMBER

American Society of Mechanical Engineers—23rd National Exposition of Power and Mechanical Engineering, Coliseum, New York, Dec. 1-5.

1959

JANUARY

10th Plant Maintenance & Engineering Show—Public Auditorium, Cleveland, Jan. 26-29.

FEBRUARY

Materials Handling in Canadian Industry Exposition—The Automotive Building, Exhibition Park, Toronto, Feb. 2-6.

Society of the Plastics Industry—14th Annual Technical and Management Conference, Reinforced Plastics Division, Edgewater Beach Hotel, Chicago, Feb. 3-5.

Purchasing Agents Association of Alabama—Annual Seller-Buyer Dinner, Feb. 12.

Purchasing Agents Association of Chicago—25th Annual Products Show, Morrison Hotel, Chicago, Feb. 17-19.

MARCH

The Lighting, Lamps and Electrical Manufacturers Salesmen's Association — 2nd National Lighting Exposition, Coliseum, New York, March 1-4.

APRIL

22nd Annual Pacific Northwest Purchasing Agents' Conference—Co-sponsored by the British Columbia, Oregon and Washington Purchasing Agents Associations, Olympic Hotel, Seattle, April 24-25.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of Purchasing Week to their meetings are welcomed to use this column, The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Print Order This Issue 26,630

Some "Selling" a Purchasing Man Must Do

Although your basic job is one of buying, as you well know, you have an added job, a job of "selling." And this job of "selling" is one that goes on continuously.

In some cases you deal in tangibles. You sell the engineering department on the use of a substitute. You sell the maintenance department on a new product. You sell the design department on standardizing a widget. In these cases you can marshall facts and figures, make a presentation, and show how the company will benefit by following your suggestions.

In other cases, though, you have to sell an intangible—an idea, an appreciation for your department's work.

If you think that this type of selling is not important, just listen to what Clyde O. DeLong, president of B. F. Goodrich Industrial Products Co., had to say on the subject last week when he spoke at the Southeastern Purchasing Agents' Conference:

"How does it happen that a man trained in one profession finds a career in another? In our case, we hope it means that our purchasing organization has done an excellent job of 'selling' its services, delineating the scope of its functions not only to top management but to interested people in other departments at every level of responsibility. Purchasing, in our company, has become known as a way up, and the department has distinguished graduates in top management.

"This kind of internal 'selling' is an enterprise none of you can afford to pass up, in the best interests of yourselves and your profession. And isn't this kind of 'selling' essentially an educational program directed at your own associates in the business?

"In educating top management to full appreciation of the true scope and importance of a professionally done job of purchasing, it is fatal to be too stuffy. You'll agree that it's easy to become obnoxious in handling matters of this sort. But, there's nothing wrong in doing a good job and then making sure that the right people hear about it!

"Make reports of unusual things. Purchasing is in a particularly advantageous position to supply economic data—either direct to top management—or through the business research clearing house.

"In companies with a research staff the purchasing agent should study the economic reports he gets. But that is not enough. He should form his own judgment of business conditions based on these reports and his experience in purchasing.

"In small companies without a research staff the purchasing agent can act effectively as a business research department. In talking with salesmen —watching market trends—keeping yourself generally informed—you may wish to report these findings to management. I am sure that such reports will be of use to the boss."

Mr. DeLong's points are deserving of your careful attention. They are the observations of a man who has risen in his company, a man who knows whereof he speaks.

There is no better time than right now to start. As you read through this issue of P.W., jot down information which will help you in analyzing business conditions.

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Your Follow-Up File

You Can Buy This Adhesive

Hershey, Pa.

In the center spread of your Sept. 8 issue, you presented a feature on adhesives ("For Any of Their Many Jobs, Buying Adhesives Depends on 3 Factors," p. 12). We are particularly interested in the use illustrated by picture two in this article.

Will you please let us know your source of information on the use and the supplier of the adhesive in order that we may obtain additional information.

R. G. Owens
Assistant Purchasing Agent
Hershey Chocolate Corp.

• The adhesive was produced by Rubber & Asbestos Corp., 225 Belleville Ave., Bloomfield, N. J.

We Boosted Surplus Business

New York, N. Y.

You may be interested to know that through your fine article ("Surplus Fall Trade Show Draws 3,000 Buyers, Hits $10 Million," Sept. 8, p. 8) many inquiries have been received from potential buyers.

Bernard Frishman
Assistant Property Disposal Officer
New York Ordnance District
United States Army

Write Mr. Frishman

Washington, D. C.

We have read with interest your article on the Institute of Surplus Dealers trade show.

This article indicated the surplus availability of fiber shell shipping containers that apparently was on a military disposal bid from the Burlington, Iowa, Ordnance Plant.

I would sincerely appreciate any information that may be available regarding the disposal and present position of surplus dealers of these shipping containers.

R. C. Gudikunst
Director of Supply
Allegheny Airlines

• For further information contact Bernard Frishman, New York Ordnance District, United States Army, 770 Broadway, New York, N. Y. He is in charge of the disposal of these surplus shell containers.

Installment Credit Means . . .

Seattle, Wash.

You wrote an editorial under the caption "Fulfilling Our Pledge to You" (Aug. 11, p 1) and are to be commended for your efforts.

I would like you to explain your article "Consumers Slash Installment Credit" (p 23) published in the same issue. Maybe you would be kind enough to explain the purpose of the statistics shown and their value to the average layman.

The article you published under "Teamsters Aren't Only Truck Drivers, etc." (Aug. 25, p 21) is very good, and you did a good job of reporting, for which I thank you.

E. A. Johnston

• While consumer statistics don't touch directly on purchasing agents' activities, there is an important indirect factor. What the consumer borrows or buys has vital repercussions in every area of the economy. A change at the retail end reaches back and influences decisions all along the economic chain of events —from inventory buying to production to employment.

You Gave Us an Idea

Clifton Heights, Pa.

The greatly diversified facets of purchasing today requires an immense amount of reading and reference work. Few of us have the time to learn much about any one subject and most of us possess only a surface knowledge of most.

As a suggestion, perhaps sometime in the future, how about some specialists undertaking subjects such as paper, metal, cloth, rubber, chemicals, wood, paints, and lacquers, to mention a few. These materials enter into our everyday life. Do we fully understand terminologies such as polyester, epoxy, durometer, pigs, billets, warp, etc.?

You have done a marvelous job as the "Digest" for purchasing.

Thomas B. Arty
Purchasing Agent
Buchan Loose Leaf Records Co.

• See page 18.

Likes Brother Ryan Story

West Bend, Wis.

I would appreciate your sending me up to eight extra copies of your Sept. 29 issue. My special interest is in the center spread which tells the picture story of "Marquette's Brother Ryan Studies Purchasing at A. O. Smith Corp." (p 12).

N. A. Schowalter
Vice President for Purchasing
West Bend Aluminum Co.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

When and if you find the time, what is one project you would like to undertake in your purchasing department?

I. R. Shaffer
Stearns Mfg. Co., Inc., Adrian, Mich.

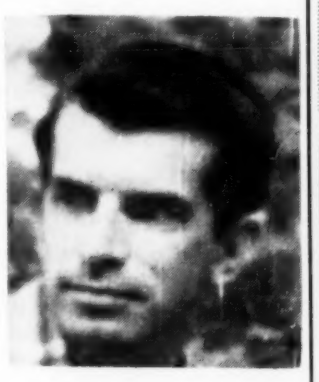
"We have a small department and there are a lot of projects I would like to start, but there is one which I feel is most needed; that is value analysis. I do as much as time permits, but now I am only scratching the surface. My previous experience was in industrial engineering and I still have a lot of questions with 'why' answers."

W. B. Wight
ElectroData Division, Burroughs Corp.
Pasadena, Calif.

"I'd like to develop a program for improving performance standards through an efficient, inexpensive system of reporting for performance verification. There's need for a system that would compare, for instance, how much is saved through prompt receipt of materials with the cost of production interruptions resulting from delayed deliveries, etc."

J. H. Beck, Jr.
Piggly Wiggly Corp., Jackson, Tenn.

"I purchase parts and materials for the manufacture of store fixtures. I would like to set up a testing laboratory complete enough to allow us to determine whether we could purchase cheaper priced items with the qualities we need. Also it would make us better equipped to verify quality and specifications on all purchased items which require testing."



H. G. Wichser
Howard W. Sams & Co., Inc.
Indianapolis

"I would like to employ the most advanced concepts, forms, procedures, and equipment in the establishment and operation of a coordinated purchasing-receiving-material and inventory control unit. If the barriers which naturally exist between departments could be eliminated, greater efficiency and simplification of operation could be easily achieved."

A. J. Strauss
Riegel Paper Corp., Milford, N. J.

"A study of 'waste' (the difference between the total amount purchased and the total amount properly utilized) presents an area, we believe, worthy of investigation. Accounting methods generally tell us where materials are charged which keep inventories in balance, but they do not tell whether they are being fully utilized."

M. K. Lilleberg
United Control Corp., Seattle

"I've wanted to analyze the savings a traffic man could provide, in time as well as dollars. Like most purchasing departments in the electronics field, we do not have a full-time traffic specialist because the commodities we buy are so small in size. Since time is always a major factor, we often automatically select premium transportation."

R. E. Dunn
H. W. Lay & Co., Inc., Chamblee, Ga.

"Much has been said and done about formalizing training to increase the P. A.'s professional status. I'd like to see a corresponding effort in training salesmen. I feel the P.A. in his contact with salesmen can contribute to their education by emphasizing these points: punctuality, personality, organization of presentation, getting down to business, closing an interview, and how to say 'goodby'."

Fire razes plant of General Homes, Inc., Fort Wayne, and destroys its supplies . . .

Seven working days later production st

When Disaster Struck, Bruce McLennan, P.A.,

When disaster strikes a plant, probably the official most affected is the purchasing agent. No company is immune to disaster which may come in many forms: flood, tornado, hurricane, fire.

Here disaster came in the form of fire which destroyed the plant of General Homes, Inc., manufacturer of prefabricated houses at Fort Wayne, Ind.

This story tells how Bruce McLennan, the purchasing agent, got the plant back into operation. The story is based on an interview Purchasing Week had with him. He was hopeful that purchasing agents everywhere could profit from his experience.

"There I was without inventory, and with no warehouse space to store it in if I had had any inventory." That's the way Purchasing Agent Bruce McLennan recalls the night, June 16, the plant at General Homes, Inc., makers of prefabricated houses, Fort Wayne, Ind., burned to the ground. But for the next three hectic months, McLennan didn't have time to moan. He was too busy building his inventory from the ground up.

The night the disaster hit, President William Hall held a meeting of the General Homes' 12 top men. There was no time to waste. Mortgage money had seldom been so plentiful for home-buyers, and the fast-moving summertime market was just beginning to roll. Hall said something about being in production again in ten days. Then he began pointing his fingers—assigning responsibilities to his team, giving them areas of discretion that could make or break General Homes.

Where Will We Unload the Trucks?

Purchasing Agent Bruce McLennan had his work cut out for him even before the finger pointed. The fire struck Monday night. McLennan had heavy deliveries scheduled for every day of that week. All those big trucks coming in, and no place to unload them.

It could have been worse. All of McLennan's original open-order records were burned in the plant fire. But he had carbon copies in his own file. And the company's office building, 50 yards from the plant, was grimy from smoke but untouched by fire.

McLennan went through his open-order carbons, called those vendors that could be located that evening, asked them to delay all shipments due in the next two days.

Next morning he got in touch with the rest of his 70 principal suppliers. By wire and phone he notified them of the fire, asked them to hold what they had until General Homes could get a roof over its head. McLennan told suppliers he would call them when a production forecast was worked out.

Then McLennan went on the prowl for storage space. In two days he found a warehouse in uptown Fort Wayne (two miles from the plant site). The space belonged to a supplier of wood molding and what McLennan calls "in-a-jam" items. He rented 6,000 sq. ft. of warehousing from the supplier, and he had a home for his "warehouse items."

McLennan Buys Two Types of Supplies

McLennan handles two basic types of supplies. One is warehouse items—units such as heaters, stoves, and plumbing fixtures—that are sold with prefab homes just the way they come from the suppliers.

The second type is production goods—lumber, nails, paint, molding, plywood, etc. The plywood comes in 8 x 24-ft. panels, requiring a spacious loading dock. McLennan couldn't find a warehouse with a big-enough dock; so the General Homes president decided to build storage space on the site of the old plant.

On Friday, four days after the fire, McLennan could feel the pressure mounting. Production shipments for General Homes were backing up at ten trucking companies. Production was scheduled to start the next Wednesday.

Production Resumed Under Storage Shed

On Monday and Tuesday the lumber rolled in. Then on Wednesday, production began under a storage shed. Later the line was moved to a tent McLennan rented from a Fort Wayne canvas supply house. McLennan had moved his seven-man warehousing staff into the uptown warehouse so the nonproduction items came in with few hitches.

That Wednesday, General Homes turned out one house. Normal capacity of the company is six a day. But this one house coming off the line looked good just seven working days after the fire.

Once production started, McLennan's problems began all over again. How many houses would come off the line the next day, and the next? How could he schedule deliveries of lumber without knowing how much would be needed? He won at this guessing game with the help of his suppliers.

McLennan Found Out What Suppliers Could Do

Says McLennan, "When disaster comes, you find out what your supplier relations are really like."

When McLennan's supplier of rock-wool insulation heard about the fire he contracted with a trucker to deliver the insulation in small trailers, leaving a trailer at General Homes until it was emptied. This made storage that much less of a problem.

Another supplier—McLennan's vendor of ready-built kitchens—had his plant closed for vacation. McLennan had ordered extra stocks of kitchens to carry General Homes through the kitchen manufacturer's shutdown. The whole supply was burned. The maker-vendor called back employees to turn out the kitchens.

The manager of a trucking firm in Fort Wayne (that seldom does business with General Homes) read of the fire in the newspaper. He immediately phoned Mc-

McLennan Started Work in 1956

Bruce McLennan has been purchasing agent at General Homes, Inc., since he took his master's degree at Michigan State University in 1956. As a graduate student in business administration he wrote a paper, "Purchasing Lumber", that won the N.A.P.A.-sponsored 1956 Boffey Memorial Contest. Also complementing his job as purchasing agent at General Homes (manufacturers of prefabricated houses) is McLennan's undergraduate degree in forestry which he received from University of Miami in 1952.

arts temporarily in a wide-open shed . . .

Ten weeks later P.A. Bruce McLennan, left, and manager of new plant are on job.

Acted Promptly to Restore Operations Quickly

Lennan, offered him some trailers the trucking company had in storage. McLennan took him up on the offer, spotted several trailers around the plant yard, and filled them with production supplies.

Between McLennan's long hours of planning and scheduling, and the vendors' help, the supplies got to the production line in the right quantities at the right time. McLennan says, "Yes, it was rough in those first few weeks of production. One truckload of lumber one day late would have meant complete production shutdown. But deliveries came in on schedule. Production never stopped.

Fast Shipment When Really Needed

"Before the fire there were items I couldn't possibly get in less than three weeks. But when I was up against it, those same items were shipped the day after I ordered."

When production got underway, McLennan rented two lift trucks to replace the ones that burned. He would have bought new ones, but he wanted to see what plans would develop for a new plant building. Then he would get materials-handling equipment to fit warehouse conditions in the new plant.

Just a few units had rolled off the production line when the General Homes planning team began discussing the new building. Here was a task that comes to few companies—rebuilding permanent facilities from the ground up.

McLennan Helped with New Plant

McLennan's part in the planning was deciding how much storage space would be needed for his inventory. Later, he expedited steel for the building's framework, working closely with the steel subcontractor.

Major equipment for the new plant was ordered by the plant manager after McLennan had advised him on sources of supply.

McLennan worked with the electrical contractor in buying wiring and fixtures for the new plant. All deliveries were in the name of the contractor, but McLennan handled the paper work so that delivery, quality, and price would be controlled by General Homes.

While McLennan was buying supplies to keep initial production going, orders were pouring in from the plant superintendent, who was buying production equipment (hand and power tools, etc.). Realizing that one P.A. and an assistant couldn't realistically handle this flood of paperwork, McLennan hired a second assistant to work full time handling paperwork for purchases made by other departments.

Warehouse Space Important to P.A.

As the new plant grew, McLennan began planning details of layout for the new warehouse space. He bought steel shelving to hold his 450 purchase items, then bought a new lift truck designed to reach the top shelves with ease.

In the tenth week after the fire, General Homes moved into the new building. On Oct. 3, vendors and dealers met at the new plant to help General Homes celebrate its comeback.

MeLennan Advises P.W. Readers

As he thought back over his three months since the fire, McLennan offered PURCHASING WEEK readers these suggestions for hedging against a disaster such as the General Homes fire.

1. Choose suppliers who are capable of carrying some of your inventory in a pinch.

2. Work with the kind of supplier who can and will want to produce for you rapidly when you need it.

3. Keep a complete card file on every purchase item. Either have duplicates in two different buildings, or keep originals in a certified fire-proof cabinet.

4. If a fire or other catastrophe hits, make an accurate inventory right away; and get your inventory irrevocably approved.

(McLennan here points to an example in which three drums of paint apparently survived the fire. McLennan was counting on using the paint, but someone had the insurance company take it on the theory that it might be damaged. Thus, McLennan's caution about an accurate and final inventory as soon as possible after the catastrophe.)

5. As soon as possible after the catastrophe, get a firm commitment from management on production schedules and needs. This information is important to your planning for temporary warehouse space and tight delivery schedules.

6. If conditions demand your receiving materials at some new, off-plant site, be sure to notify the trucking companies. This will save time, money, and harsh words.

"When disaster comes, you find out what your supplier relations are really like."

When fire destroyed the General Homes, Inc., plant at Fort Wayne, Bruce McLennan, the purchasing agent, found out that his supplier relations were very good. Here he repays some of his suppliers by giving them a special tour of the company's new plant.

Turn the page for advice on "What to Do Before and After a Disaster"

What to Do Before and After Disaster Strikes

Make Plans Ahead of Time

1. Deconcentrate inventory and purchasing records

In its simplest form, inventory deconcentration means keeping production and MRO supplies in two or more different buildings. This will hedge against fire, windstorms and maybe against flood if one building is higher than the other.

But full deconcentration requires separating your inventory units by many miles instead of a few hundred yards.

Practicality often rules out inventory deconcentration. But your records can and should be split up. There's no excuse for storing double sets of purchasing records in the same room or the same building. Separate those carbon copies of important forms immediately, and transfer one set to another building.

Other purchasing records will need to be duplicated (by microfilm or other copying method) and transferred to another location. You'll have to make up your own list of most-important records. But here's a starter: accounts payable, accounts receivable, contracts, insurance policies, leases, open-order files, shipping documents, vendor lists.

2. Plan mutual aid

Neighboring companies will probably be eager to help you out of a bad spot. You'll want to help them, too. Lay the groundwork now. Visit your P.A. counterpart and talk disaster plans with him.

Swap lists of exchange equipment with other plants. These lists should include emergency trucks, fire engines, ambulances, mobile cranes, tractors, portable compressors and generators, fire hose, pulmotors, rope and cable, and wrecking tools.

3. Study your plant's geographic position.

Would one flooded-out road isolate you from suppliers? Better think about it now than after it's too late.

4. Know out-of-town suppliers

Floods and other disasters can destroy entire communities. One in your area might well knock out all your local suppliers. In that event, you'll need a roster listing one or more out-of-town suppliers for each item or item-category you buy.

Your out-of-town supplier list should show company name, name of your personal contact there, distance from your plant, type transportation used by the vendor, and estimated lead time on the items he can supply.

Take These First Steps to Recovery

1. Get in touch with your most imporant suppliers: Tell them seriousness of your situation, plus any forecast information on when production supplies will be needed. Suppliers will probably offer help in the form of loaned equipment, etc. Take it if you need it.

2. Out-of-town suppliers: If disaster is a flood or other widespread condition, your local suppliers may also be out of operation. For supplies you'll need in the next two weeks, better check with an out-of-town vendor.

3. Records: Salvage the basic records you need to get started. But pay more attention to keeping accurate records of what you do after the catastrophe. Keeping records will seem silly in the first few days. But you'll be glad you did.

4. First inventory: If the damaged warehouse is your responsibility, you'll need to make a complete inventory for the insurance company. In making this inventory, get final decision on lightly damaged items as soon as possible. If the insurance company is going to haul away supplies, you need to know it as soon as possible so you can re-order.

5. Insurance claims: Photos of the damage will be invaluable a few weeks after the smoke clears. If this responsibility is yours, don't waste any time. Record the damage before the cleanup begins. If your company is a small one, the insurance claims may be a life-or-death matter.

6. Your office: If your office was burned out or cluttered with flood debris, don't bother clearing it. Retrieve basic records, set up shop in any relatively clean space, and notify everyone of your new location. Call the phone company and get your old number transferred to the temporary location.

Put Cleanup Supplies in a Safe Place

1. Cleanup supplies: Large quantities of soap, alkaline cleaner, and chloride of lime. The cleaner will remove rust from tools and instruments and prevent further rusting. The lime will disinfect.

2. Cleanup equipment: Flashlights, portable generator, cable, wire, brooms, mops, squeegees, garden hose, buckets, cleaning waste, wire brushes, portable power tools, blowtorches.

3. Equipment-salvage supplies: Tarpaulins, waterproof paper, metal identification tags, linen tags, marking crayons, chalk, india ink, rust-preventive oil, steel drums (for soaking tools and instruments in rust-preventing solution).

4. Remember personal needs of the cleanup crew: Externally, they'll need heavy gloves, coveralls. Internally, they'll need food and drink. Most important are drinking water kegs and cups. Also stock up on coffee, tea, milk, sugar, bread, canned meats, cheese, soups, candy, and doughnuts. And you may need portable camp stoves and some rugged pots and pans. Latrines may be needed.

Keep in Touch with Others

1. Local utilities: In addition to your suppliers, keep in touch with local utilities—electric, gas, water. Make sure damaged lines are cut off and will stay off until someone from your plant orders service resumed. Notify phone company of changes in numbers and locations of company offices. Also, arrange for new phone installation at any off-premises warehouse space you may rent.

2. If disaster strikes in winter, check heating fuel. Floods may contaminate fuel oil supplies. Fires and explosions may damage storage tanks and fuel lines.

3. Contact your purchasing agent friends at neighboring plants; let them know how badly you've been hurt. Chances are they'll want to help. They might be in trouble too, and you can help each other.

4. Don't forget Civil Defense. Men at C.D. agencies are the government's disaster experts. They can help you with advice or equipment or both.

Save Equipment by Quick Repairs

1. Traffic routes: You need at least one access road capable of handling heavy trucks. You'll have a lot of debris going out, and soon your purchases will be rolling in.

Check your roads carefully for washouts or undermining. And be sure you leave enough room in the yard for trucks to maneuver. Other departments will want to dump debris in this space; so stop them in advance.

2. Transportation: Vehicles will be at a premium in the early days of cleanup. Ask employees to bring pick-up trucks, heavier trucks or tractors (with proper compensation for their use, of course). Then rent and borrow fork trucks, jeeps, shovel trucks, bulldozers, and tractors.

3. Gasoline industrial trucks: If engine was under water, disassemble engine and transmission completely, overhaul engine thoroughly. **Caution:** Don't let workmen start up any waterlogged internal combustion engine without overhaul. There's grave danger of explosion.

Internal parts of gasoline trucks should also be taken apart if they are waterlogged. Clean parts thoroughly with steam, and reassemble. Hydraulic cylinders should be taken apart; if they are corroded or pitted, clean and oil them. All defective parts should be replaced, and new gaskets and O-rings included in the reassembly.

4. Electrical trucks damaged by water: Most lead-acid type batteries should be all right if they remained upright and vent plugs were tight. Batteries should be washed, then checked for level and specific gravity of liquid. If level is high, remove water from top to safe level. Recharge at normal rate until lowest cells are brought up. Then charge about three hours longer to overcome slight shorting effect of the truck's immersion in water.

5. Jack-lift trucks damaged by water: Wash and grease. Remove and clean roller bearings. If you've got a hydraulic job, you may be all right temporarily. But water often gets through seals to pit and corrode cylinders, so have them checked as soon as you can.

6. Elevators: Don't attempt to run elevators until thoroughly checked. If present load safety factor is small, better increase it.

7. Small chain hoists: Remove cover, grease chain and sprocket. **Caution:** if there's leather in the hand-chain fall, it may stick and jump. So have men stay clear on first use.

8. Gravity roller conveyors (water damage): Don't try to remove bearings. They're not worth saving. Hose down with water, clean with solvent, then lubricate. If they have grease fittings, force grease through to pack bearings solidly.

9. Power roller conveyors (water damage): Treat them same as gravity roller conveyors. If they have highspeed sealed bearings, don't force grease. Squirt them with oil and let them go.

Keep Your Eye on Stores Items

1. Pilferage: From the moment of the disaster, most immediate danger to stores is pilferage. Purchasing probably doesn't handle security at your plant, but you'll do well to get extra guards for inventory items small enough to be carried or trucked off the lot.

2. Undamaged material: The stuff already damaged isn't going to get much worse in the first few hours. So protect the materials that escaped damage. Take preventive measures to see that the usable inventory isn't soiled or rusted during cleanup operations.

3. Delegating authority: When it comes to deciding what to save and what to scrap, see to it that one man in each department has absolute authority. If you have to place a dollar limit for referral up the line, set the limit plenty high; or your whole salvage operation will bog down.

4. Problem items: Steel bolts, washers, and machine screws that got wet should be thrown into scrap unless they're made with special threads or dimensions.

Materials that swell on exposure to water (grain has raised havoc in past floods and fires) must be removed immediately from fixed-capacity containers. If possible, get such expansive materials completely out of the plant.

Be especially careful in handling carboys after a fire. The heat may have cracked them or set up severe strains that will cause breakage at the slightest pressure. Also, heat may cause a pressure buildup that will squirt out the contents when the cap is loosened.

Your inventory of cutting tools, drill bushings, gages, and hardened wear surfaces may look great. But if you've had a fire, intense heat may have drawn their temper. Individual checking is required before you can be sure they're undamaged.

Restore Damaged Records with Care

1. Get help: If vital records appear ruined, don't panic, and don't just dump the remains. Call the crime laboratory at your local police department. Images on charred paper can often be brought out by infrared photography. Waterlogged documents can be treated to bring out the information.

2. Salvageable records: Watersoaked papers and cards are best dried by placing them in warm sunlight and gently moving air, or in a warm room with good air circulation and a dehumidifier.

Don't try to dry papers too rapidly. And be extra cautious about unfolding or separating very wet papers. There's less danger of smearing or peeling if papers are handled after drying or when damp.

3. Ledgers, folders: Don't be too hasty in opening files, ledgers, books, folders, or charred and soaked bundles of paper. Even if they're charred and crumbled, the pieces will be in proper relationship to each other and some careful reconstruction might be possible. Once these papers are disturbed, the task immediately gets harder, if not impossible.

4. What records are most important? Actually, that's for you to decide. And today isn't too early to make a list and decide how to protect those records.

Get Outside Service for Equipment

1. Contact servicemen: Contact vendors or service centers for equipment you know has been damaged. If disaster hit only plant, nearby service centers are probably best. If you were flooded, you may have to depend on out-of-town service.

2. Set up receiving area: Clear a large area of dirt, debris, machinery, and equipment. Most practical would be a well-sheltered area near a good road or railroad siding. Enclose the area with a fence but provide several large gates. You'll need this space as a receiving-shipping place for damaged machinery, tools, and equipment that have to be shipped out for repairs.

Keep a list of everything brought into the area and everything sent out, plus its destination. Don't allow emergency conditions to destroy systematic control. Keep the system simple, but keep the system. Once these conditions, chaos takes over. It may cost you days to regain control.

This Week's

Foreign Perspective

OCT. 20-26

London—Two new attempts at world trade cooperation are in for sharp review in the coming weeks.

Members of both the Free Trade Area and the European Common Market are meeting this week in Paris to iron out economic, trade and tariff differences.

And what happens at this meeting will have important effects on world commodity tags. A fusing of European markets will have strong repercussions on both raw materials and finished goods prices, both stateside and in other non-European trade areas.

That's because Western Europe, considered as a unified market, becomes one of the world's biggest buyers and sellers of goods and services.

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Two sides will be lined up at this week's Paris pow-wow, which is being held under the auspicies of the Organization for European Economic Cooperation.

On the one hand are the six nations of the already existing European Common Market—France, Italy, West Germany and the Benelux countries. These nations have agreed on an ambitious plan to gradually combine all their individual economic, financial, social and agricultural policies under one central organization.

On the other hand, the remaining West European countries are spearheaded by the United Kingdom. These latter nations will join the European Common Market to form a "Free Trade Area." This is aimed at permitting a free flow of trade among all 17 Western countries.

However, members of the Free Trade Area, as distinguished from the Common Market would be free to follow individual trade policies in respect to non-European areas.

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Talks are aimed at hammering out joint agreement on rules to be drawn up for the Free Trade Area.

The British Government is known to place greater importance on a swift agreement. Most Britishers are sure that sooner or later the Free Trade Area will become a reality. But it's wanted sooner rather than later.

That way, danger of a split in Europe if the six nations of the Common Market forge ahead on their own would be avoided.

Development of the Common Market without a Free Trade Area, Britishers believe, would mean creation of a powerful protective bloc dominated by industrial might of West Germany. Britain in that case would have to develop more and more markets outside Europe.

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Past negotiations have misfired following acute differences between Common Market countries, especially France, and the U. K. Main problems now remaining to be settled before a Free Trade Area agreement can be reached are:

• **Method to be adopted** to prevent deflections of trade arising out of the varying levels of the external tariffs of Free Trade Area countries. Britain reckons difficulties arising from this source should be solved as they come up. France and Italy want, however, an agreed harmonization of external tariffs.

• **Imperial preference.** France especially demands that Britain should make some concessions to the six on imperial preference in return for negotiation of a Free Trade Area treaty. Britain retorts that it cannot unilaterally make such concessions which are the concern of individual Commonwealth nations.

Much will depend on whether the Common Market countries themselves have agreed on a joint approach to the Free Trade Area.

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One thing that all nations are concerned with is the economic impact of a freer flow of trade.

Overall, these new plans will make for increased rate of trading among European countries and increased concentration of industrial and business power.

Impact on commodities, too, will be substantial. The Common Market already is by far the biggest world importer of primary products and on the way to becoming the biggest exporter of manufactured goods.

More immediately, inclusion of overseas territories in the Common Market project means you can expect major changes in sectors of world commodity trade. This is because Common Market will discriminate against a number of outside food and raw materials producers.

On the industrial side, elimination of tariff barriers inside Europe will mean a warming up of the pace of competition. How individual companies fare will depend on a variety of circumstances not yet subject to analysis.

Egypt Sets Minimum Prices on Cotton

Cairo—The Egyptian Ministry of Commerce has set minimum prices for the 1958-59 season cotton crop and reduced the export tax on long staple varieties by four talaris per cwt.

Minimum prices for the forthcoming season will be: long staple Karnak, 69 talaris per cwt.; Menufi, 64 talaris; Giza-30, 59 talaris; Dandara, 57 talaris; Ashmouni, 55 talaris.

In reducing the export tax the government hopes to boost the value of the Egyptian pound without increasing cotton prices for either importers or producers. The government announcement said the reduction was offered especially for long staple cotton because of its heavy demand in world markets and its hard hit position in world competition.

In fixing minimum prices, Egyptian authorities seek remunerative prices for producers and facilitation of crop loans, a spokesman said. But he added, minimum prices would not affect dealing prices which would be determined by supply and demand in the cotton market.

India Buys Russian Steel To Keep Plant's Running

New Delhi—The Indian government has contracted with the Soviet Union for importation of Russian steel.

The country will need about 2.3 million tons of steel during the remaining two years of the current five year plan for developmental industries. Domestic output, while scheduled to go up next year, now totals only 1.35 million tons, and the remainder of the steel requirements thus will have to be imported quickly to prevent the shutdown of a number of smaller industrial plants.

Utrilon to Establish Puerto Rican Plant

San Juan, Puerto Rico—An American company Utrilon Industries will establish a polyvinylchloride and plastic footwear manufacturing plant in Bayamon. Production of the plant, which is expected to be in operation the end of 1958, will hit about 1 million pairs of plastic shoes the first year. The company has leased a 23,000 sq. ft. building from Puerto Rico Industrial Development Co.

Brazilian, German Firms Sign Pact for Tools

Bonn—A West German firm, Otto Wolff at Cologne, and the Brazilian government-owned automobile manufacturer Fabrica National de Motores S. A., Rio de Janeiro, have signed a $5 million credit contract for machine tools.

The tools, supplied by some 50 German plants, will be used by the Brazilian company to produce trucks.

Tube Plant Operating

London, Ont.—Calumet & Hecla of Canada, Ltd.'s Wolverine Tube Division plant here is now in full operation. Production rate at the new facility is about 1 million lb. a month of finished non-ferrous seamless tubing.

British P.A.'s Warned on View Of Prices Continuing to Fall

'Purchasing Outlook in Europe' Second Topic Of National Conference at St. Andrew's U.

Southport, Lancashire—British purchasing agents were warned against seeing presently falling prices as anything but temporary.

In a speech at the National Conference of the Purchasing Officers Association, here Oct. 2-4, economics professor A. D. Campbell, University of St. Andrews, said, "Gently falling prices" would be nice to have but hard to achieve. He added that the "reality looks like being a struggle to moderate the raise of increase of prices to reasonable dimensions."

Delegates Given Outlook

The 250 delegates received more straight talk in other sessions, including a wide-range discussion on the "Purchasing Outlook in Europe" during which they were warned that Britain must make a greater effort to hike output and slash prices if U. K. goods are to compete in the proposed free trade area.

Advice from speakers included even a warning against a "Colonel Blimp" attitude toward the English language. J. B. Scott, sales director for Crompton Parkinson, Ltd., critically compared the Continental businessman's customary knowledge of more than one language to the theory "That you can go around the world speaking only English."

Other topics covered included the buyer's part in standardization, encouraging enthusiasm in the purchasing department, organizing purchasing research, and how to be a good manager.

Overseas guests at the conference included N.A.P.A. president Gordon B. Affleck from the United States; C.P.A. president Geoffrey L. Haszard from Canada; and officials from purchasing associations in Germany, France, and Holland.

A "Minibition", the British Purchasing Officers Association's name for a small exhibition of products, was held along with the conference.

Red China Making Gain In Machine Tool Market

New York—Communist China's machine tool industry has made such phenomenal strides it may have a good chance of surpassing Great Britain by 1972, according to American Machinist, McGraw-Hill's magazine of metalworking.

Under Red China's first five year plan, production of metalcutting machine tools alone increased more than 60%, from 13,700 units in 1952 to 22,600 units in 1957.

China's machine tool goal in 1962 is 60 to 65,000 units, but the Peking government hopes to exceed this quota. The over-all aim is a spectacular increase in national industrial output, with special emphasis on heavy industry, the magazine states.

Peacock Brothers Plans To Expand Facilities

Montreal, Que. — Peacock Brothers Ltd. is expanding its Highland plant at Ville LaSalle, Que., to five times the size of existing facilities, at a cost of about $1 million. This includes $300,000 for new equipment.

The company plans to consolidate and up production of Rockwell-Nordstrom lubricated plug valves at the plant.

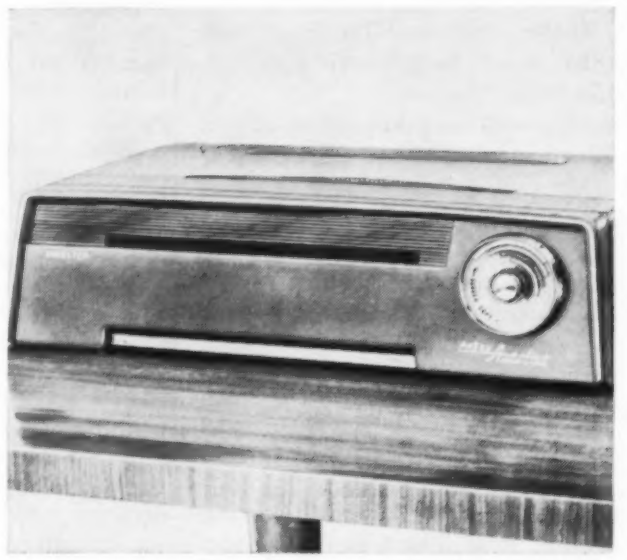
Lighting Fixtures

Explosion Proof

E-series explosion-proof lighting fixtures are approved for use in hazardous locations as in atmospheres containing flammable gases or vapors. Fixtures are designed to operate at a temperature below ignition of gas-air or vapor-air-mixture or atmosphere in which they are used. Fixtures are constructed to resist any internal explosion without damage, so no escaping gases will be allowed to ignite flammable atmospheres in which they operate.

Price: $37.15. Delivery: immediate.

Rab Electric Manufacturing Co., 605 East 132nd St., New York 54, N. Y. (10/20/58)



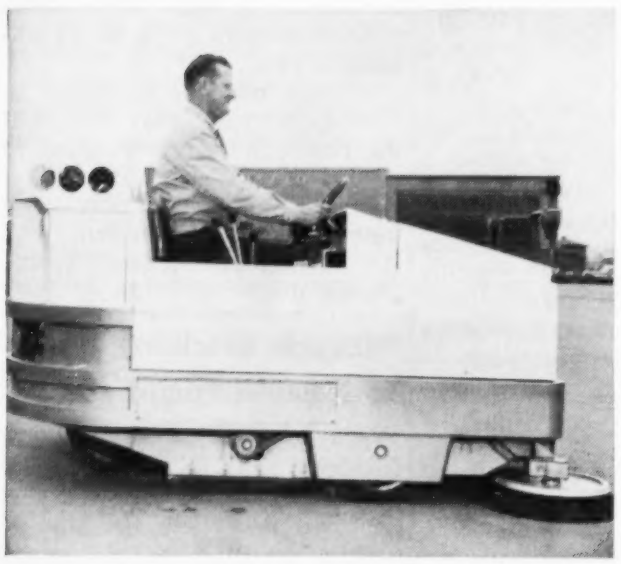
Photocopy Machine

Portable and Light

Director Auto-Stat office copying machine has a speed-feed feature. It has a single push button control and continuous automatic feed operation. Machine operates on standard electric power. It is 11 in. deep, 5½ in. high, and 20½ in. long. Compact Director weighs 25 lb.

Price: about $200. Delivery: immediate.

American Photocopy Equipment Co., Evanston, Ill. (10/20/58)



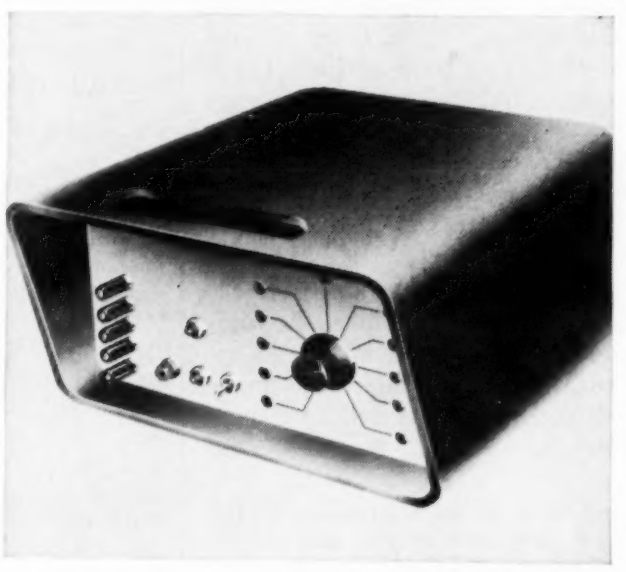
Power Sweeper

Has Rear Wheel Drive

Task master "42" industrial sweeper can turn within its radius. It features power steering and pneumatic puncture-sealing tires. Stabilized floating main broom gives a clean swath through light or heavy sweepage. Equipment has automatic clutch and dual lights.

Price: $2,990 (basic model). Delivery: 30 days.

Patch & Kase Corp., 159 South Irwindale Ave., Azusa, Calif. (10/20/58)



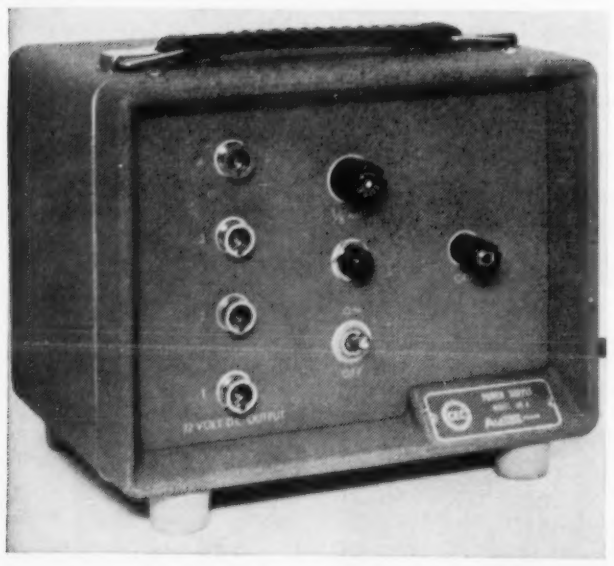
Monitor

Checks Relay Chatter

Contact chatter monitor Model CCM-1 is a thyratron controlled monitor for checking chatter in relays. It uses a continuous red neon lamp when indication of contact opening in excess of selected time interval occurs. Ten durations can be selected by a single front panel control.

Price: $165. Delivery: about 30 days.

Mu Tronics, Inc., 1514 South La Cienega Blvd., Los Angeles, Calif. (10/20/58)



Power Supply

Provides 12-V. Dc. Power

Model 60A auxiliary power supply provides 12-v. dc. power for battery-powered test instruments. Handles any four instruments simultaneously without interaction due to common power-supply impedance. Panel's four outputs are individually filtered in addition to main power supply.

Price: $125. Delivery: immediate.

Consolidated Electrodynamics Corp., Pasadena, Calif. (10/20/58)

Heavy-Duty Routers

With Safe Switch-Shaft Lock

Routers H264 and H276 have speeds of 23,000 and 27,000 rpm. and ⅞ and 1¼ h.p. respectively. They feature a spotlight for illuminating work area and a quick clamp with positive hold. One wrench is needed to change bits and cutters safely. Depth of settings can be as fine as ¼ of 1/64 (0.004 in. or less.

Price: $62.50 (H264), $82.50 (H267). Delivery: immediate.

Stanley Electric Tools Division, Stanley Works, 111 Elm St., New Britain, Conn. (10/20/58)

Filing Unit

Speeds Operations

Large-capacity kardveyor mechanized filing unit simplifies office operations in reference to a number of index cards, records, master punched cards, etc. By pushing a button, operator brings tray of cards to working level.

Price: from $2,830 to $3,540 (standard models). Delivery: about 30 days.

Remington Rand, Div. of Sperry Rand Corp., 315 Fourth Ave., New York 10, N. Y. (10/20/58)

Stainless Steel Pail

Free of Crevices

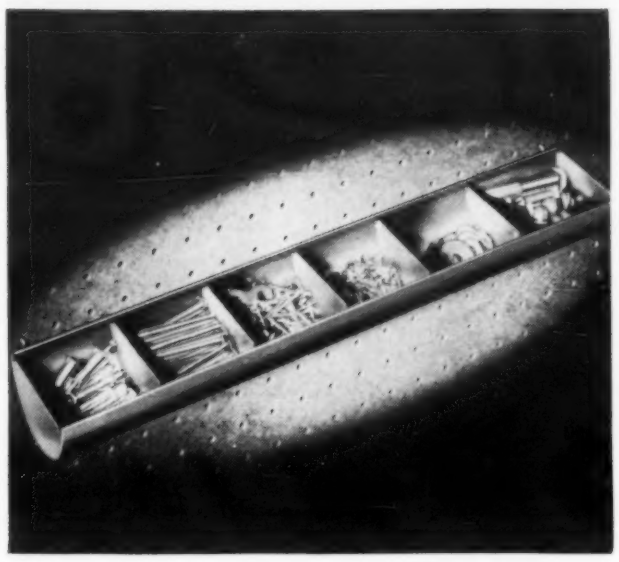
Tapered stainless steel pails are made by a flo-turn spinning process and have no crevices or weld lines. Pails are sanitary, have smoothly finished lining, and heavy impact-resistant bottom. Stainless steel pails are available in 13, 16, and 20 qt. sizes, with or without side tilting handle. Pails feature an extra thick bottom. 20-in size serves as transfer pail.

Price: $13 (for 13-qt. pail). Delivery: immediate.

Vollrath Co., 1236 N. 18th St., Sheboygan, Wis. (10/20/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Handy Parts Tray

Hooks on Pegboard

Handee tray offers a neat way to keep small parts and tools. Handee has three adjustable dividers; more available. Properly spaced hooks permit easy pegboard placement. Curved bottom allows quick selection of parts for fast removal of all steel construction.

Price: $2. Delivery: immediate.

Industrial Marketing Service, P.O. Box 2214-Fort Dearborn Station, Dearborn, Mich. (10/20/58)

Protector

For Sensitive Pressure Tools

Gage Guard Jr. offers positive protection for instruments like incline manometers, draft gages, electrical pressure switches, and ultra-sensitive low-pressure transducers. Gage Gard Jr. is repeatable and reopens after sealing at 2% below the cut-off point. Adjustment and resetting of cut-off pressure can be made at any time. Available in four ranges from −15 psig. to +85 psig.

Price: $42.50 fob. Louisville. Delivery: immediate.

Industrial Engineering Corp., 525 E. Woodbine, Louisville, Ky. (10/20/58)

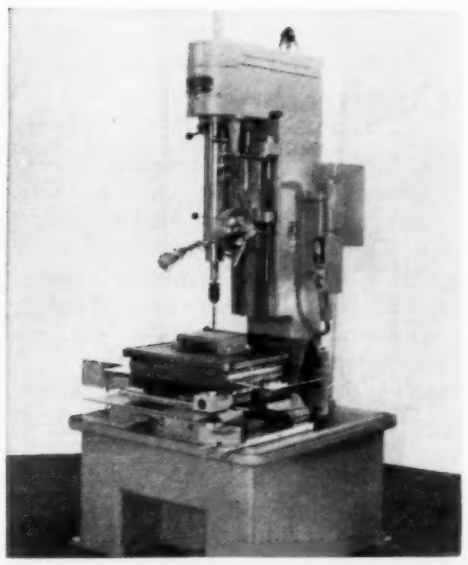
Soldering Gun

Offers Instant Heat

Model 8100 soldering gun features instant heat, twin spotlights, triggermatic control, and over 100 w., and low-cost replacement tips. Model 8100 soldering gun is Underwriters' Laboratories-approved and guaranteed for 1 year.

Price: $5.95. Delivery: immediate through hardware dealers.

Weller Electric Corp., 601 Stone's Crossing Rd., Easton, Pa. (10/20/58)



Layout Machine

Equipped with Back Gears

Layout machine #2 performs such layout operations as center drilling, drilling and reaming in parts which do not require job boring tolerances, such as drill jig bushing plates and templates. Machine can be supplied with simple hand operated screw-type tables or semi-automatic tables using gage blocks or spacer bars, or tables automatically programmed by tape or card. Machine has an electrical speed changing device with variable spindle speeds achieved with the use of push buttons.

Price: $8,500. Delivery: 4 to 6 wk.

Edlund Machinery Co., Cortland, N. Y. (10/20/58)

This Week's

Product Perspective

OCT. 20-26

Here are more new materials for your file:

• **Low-alloy iron powder, designated type 6460, is said to develop tensile strength equal to those obtained with conventional fabricated and heat-treated metals.** Material is used to make pressed parts with powder metallurgy techniques. Tensile strengths are 60,000 psi. as sintered and 100,000 psi. when heat treated. (Republic Steel Corp.)

• **Maker expects low-cost polyether to replace more costly polyesters in formulation of rigid polyurethane foams.** Such foams can use up to 60% by weight of new polyether. Polyurethane foams are being used in sandwich-type constructions for such products as refrigerators, wall panels, boats. (Atlas Powder Co.)

• **New family of rubber-like adhesives is said to bond to nearly any surface.** Unlike other rubber cements, these adhesives need no added resin or tackifier. A-916-B is now available as a laminating adhesive. These are some laminating possibilities: polyethylene, cellophane, Mylar, nylon fabric, polyvinyl chloride, and paper to metallic foils or any combination of plastic films. (B. F. Goodrich Industrial Products Co.)

• Three **new developments in aluminum look like potential competitors for copper:**

Aluminum joins with brass to make a lightweight automobile radiator. Brass tubes conduct the coolant; aluminum fins surrounding the tubes carry heat away from the coolant. Four pounds of aluminum replace 8 lb. of copper in the average radiator. **Cost savings despite the aluminum's higher cost accrue because of weight reduction.**

Development work is underway with electrical coils wound with aluminum foil or sheet. Preliminary studies indicate economies for coils using No. 24 AWG wire and larger. Winding techniques are said to be simpler, and material cost savings up to 50% are possible. Some 30 electrical coil manufacturers are cooperating with the aluminum supplier.

Aluminum magnet wire priced to reflect the lower cost of aluminum compared with copper is now available. AWG sizes initially will be #12 through #24; insulations will be Formvar, Nyform, Isonel. (Aluminum Co. of America)

• **Double-faced pressure-sensitive adhesive supplied in sheet form joins open- and closed-cell foam materials like vinyl foam, polyurethane foam, and rubber foam to each other or to other materials.** The adhesive is reinforced by a non-woven tissue and supported for shipment by a release paper. (Angier Adhesives, Interchemical Corp.)

• Silva-Brite **bright-silver plating process gives a permanently hard, mirror finish in both flash and heavy deposits.** And it is said to be faster and easier to use than other processes. Process has already been tested by a silver holloware producer and by electronics and electrical contact manufacturers. Plate is hard and ductile while age-hardening up to temperatures of 100 C. (American Platinum & Silver Div., Englehard Industries, Inc.)

• **Rare earth metals—praesodymium, neodymium, terbium, holmium, thulium, ytterbium, and lutetium—now can be obtained in off-the-shelf commercial quantities.** Purity is 99+%. The rare earths are rapidly becoming necessary materials for the nuclear and metallurgical industries. (Rare Earths & Thorium Div., Michigan Chemical Corp.)

• **Thin-walled ceramics formed into lightweight honeycomb structures can operate at high temperatures.** Discs 20 in. dia. and 3¾ in. thick have been made by a process called Cercor. Such a structure could be used as an air preheater, aftercooler, burner plate or cover, column packing material. (Corning Glass Works)

• **Reconstituted composition leather is said to closely resemble natural leather in properties and appearances.** Armote LN-862 is made from top-grade leather fibers formed on a paper machine and bonded together with a synthetic rubber. Thicknesses range from 0.021 to 0.100 in.; widths are up to 68 in. (Armstrong Cork Co.)

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A new **fountain pen ink reproduces on all copying machines.** Called Permanent Jet Black Reproduction Skrip, and made by Sheaffer Pen Co., it ranges in price from 19¢ for a 2-oz. bottle to $5 per gal.

Your Guide to New Products

(*Continued from page* 17)

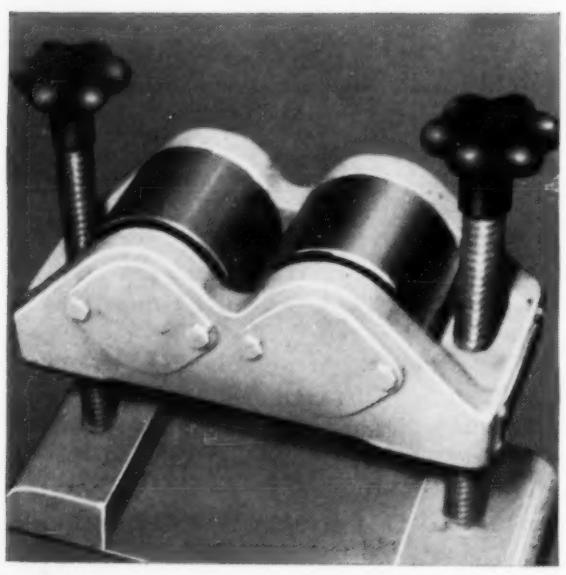
Countersink Tool

Fast-Cutting Hand Tool

Fully adjustable micrometer-stop countersink lightweight hand tool may be used for volume production work on drill presses, lathes, mills, etc. Tool has a hardened and cylindrically ground steel alloy shaft operating within extra large self-lubricating bearing.

Price: from $9.05 (#6400 units). Delivery: immediate.

Schrillo Aero Tool Engr. Co., 8715 Melrose Ave., Los Angeles 46, Calif. (10/20/58)



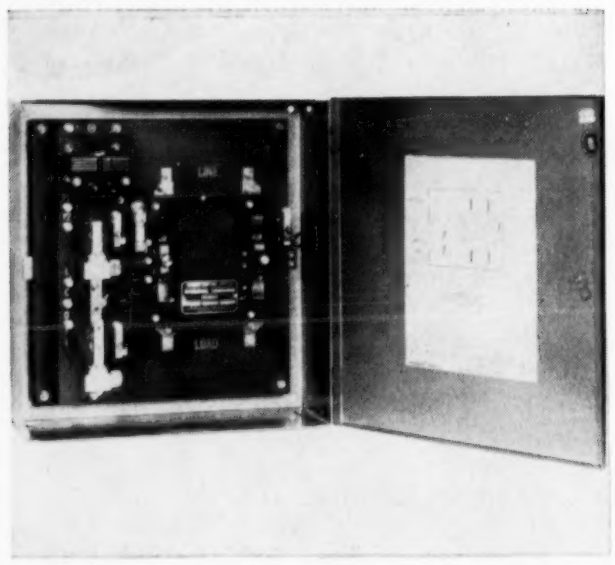
Portable Balancer

For Heavy Rotors

Model 30 is a heavy duty tool for general maintenance balancing. It is precision made to provide smooth vibration-free performance. Hardened disc rollers and races honed to close tolerances for maximum sensitivity. Carriage permits balance way to be raised to desired height for balancing rotors where shaft ends are of unequal dia.

Price: $435. Delivery: 10 days.

Industrial Balancing Engineers Div. Calkins Machine & Tool Works, E. Main St., East Aurora, N. Y. (10/20/58)



Remote Control Panel

Low Voltage Control

Remote control switches equipped with low voltage control are suitable for 24-v. ac. control by push button, time switches, relays, or other control methods. Panel consists of a Bulletin 920 switch with fuse adapter, auxiliary contact, and low voltage relay panel.

Price: from $228 (enclosed, 30 amp.). Delivery: 3 to 4 wk.

Automatic Switch Co., Florham Park, N. J. (10/20/58)

Steel Building

All-Purpose Unit

Do-it-yourself package unit of prefabricated steel parts can make storage sheds, garages, etc. Pre-cut, prepunched members bolt together easily.

Price: $227.04 (10x6-ft. enclosed bldg.), $112.64 (add-on section); $416 (20x 6 ft.), $200 (add-on section). Delivery: immediate fob. factory.

Childers Mfg. Co., 3620 W. 11th St., P. O. Box 7467, Houston 8, Tex. (10/20/58)

ALL TYPES OF STORAGE EQUIPMENT are available for every need. This picture gives some idea of how shelving can be adapted to the job and conserve needed floor space.

Purchasing of Handy Storage Equipment Conserves Floor Space in Operating Areas

Purchase of handy and effective storage equipment is important. To have all the proper tools and materials but no place to store them handicaps operating departments. Now the problem is being solved by the appearance of many types of bins, shelves, units, and complete systems. Here are answers to some of the problems, both indoors and out.

There are stack bins for every industrial need. They cut handling time and are space savers. Different type construction allows various arangements so that equipment can fit into any office or plant.

There's a storage unit with changeable drawer features. Users can design their own storage unit. They can have either a shallow, deep, or combination of both type drawers. (Snap-On Tools Corp.)

Another type is the mobile stock bins which carry 5,300 different kinds of nuts, bolts, screws, washers, rivets, and gaskets. Color code system indicates the amount of each item needed to replenish stock. Different color tabs are used as indicators. White tab on a tray reveals a bin should be filled; green, half a bin; red, a quarter. (Mercury Mfg. Co.)

Shelving units are readily adaptable to any needs. They double rack, attach in long rows, can operate individually, or may be moved from one place to another. Shelves have snaps which simplify addition of extra shelves (photo above). Units are built 84 in. high, 36 in. wide, and 12, 18, and 24 in. deep. This height helps to conserve floor space. (Frontier Mfg. Co.)

Another addition to the market is a corrugated storage box called Miracle. This item is shipped flat. It can be opened in seconds or quickly flattened when not in use. It doesn't require any stapling or stitching.

Sides and bottom of the light boxes are made of 2 layers of double-wall, heavy-duty corrugated for extra stacking strength. Fully loaded boxes can be stacked to the ceiling. In any of the three sizes offered, special polyethylene liners are available to keep boxes clean when storing oily or greasy parts. (Paige Co.)

For outdoors an entire line of adjustable storage racks and bulk bins with hot-dipped galvanized finish is now on the market.

Galvanized process coats the racks with a finish highly resistant to corrosion and salt solutions. Racks are dipped in large tanks of molten zinc after fabrication to assure complete coverage. (Materials Handling Division, Union Asbestos & Rubber Co.)

Definitions for Purchasing Agents

Starting with the box below, each issue of PURCHASING WEEK will contain definitions or discussions of some of the more technical terms purchasing executives are likely to encounter in their daily purchasing activities.

Like the new products the box is designed to fit on a 3 by 5-in. card for easy filing. This week we talk about plastics. Future issues will take up such terms as warp, denier, board feet, set-up boxes, the difference between the many kinds of polyethylene. If you have any pet terms send them on to Definitions, PURCHASING WEEK. We'll be glad to tackle them.

Purchasing Week Definition

Plastics Can Be Confusing

Plastics fall into two types:

Thermoplastic—Those which soften under heat and harden when cooled. Examples: acrylics, polystyrenes, polyethylene, vinyl.

Thermosetting—These soften only once under heat. An internal chemical change makes it impossible to further change their shape with additional application of heat. Examples: phenolics, epoxies, polyesters, ureas.

You'll hear more about these two plastics as time goes by:

Polyesters—These are the binders used in boat hulls, plastic swimming pools, panels. Glass fiber generally is used to reinforce them, much like steel rods reinforce concrete. Either heat or a catalyst is used to harden polyesters. Oil-modified polyester is called alkyd. Other special polyesters are formed into film (Mylar, Videne) or textiles (Dacron).

Epoxies—They serve as potting compounds, adhesives, coatings, and casting resins. They make some of the strongest adhesives and most durable coatings. Newest use is as metal-stamping molds. (10/20/58)

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Washers Standardized

American Standard B27.2-1958, Plain Washers. Published by the American Standards Association, 70 E. 45th St., New York 17, N. Y. Price: $1.00

The American Standard for plain washers—metal rings used in machinery, autos, and household items—has appeared in a revised edition. As such it makes a useful addition to purchasing executive's standard parts book.

Included for the first time are "type B" washers. These have a more rigidly controlled tolerance in all dimensions than the usual washers designated type A, and are meant to be used where clearance between parts is very small and must be closely controlled, as in jet engines. The type B washers, in narrow, regular, and wide series, are listed in a table that permits selection by nominal screw or bolt size, as well as thickness and diameter.

Type A washers are listed in ascending order of inside and outside diameters and thickness only, since their application is more general.

"Reduce Carton Content and Product Identification Costs as Much as 90%" is title of new booklet. It illustrates and explains a low-cost method for custom-printing labels and tags on-the-spot complete with product information. It also tells how custom-printing saves costly office work. Booklet is available from **Weber Marking Systems, Mount Prospect, Ill.**

How heavy-duty industrial floors are finished or resurfaced with Cortland emery aggregate is described in 8-page bulletin, No. 653. How to prepare old concrete floors for resurfacing or patching is explained and information on curing and protecting new or refinished surfaces is included. Estimating data, and tool and material requirements are also given. Bulletin, is available from **Walter Maguire Co., Inc., 60 East 42nd St., New York, N. Y.**

JalBoy — a plastic-and-steel returnable container for use in shipping and storing corrosive chemicals—is described in 4-page pamphlet. Specifications for JalBoy in 3 sizes—13-gallon Heavy Duty, 14-gal. Standard, and 5-gal. Standard is given. Copies are available from **Container Div., Jones & Laughlin Steel Corp., 405 Lexington Ave., New York 17, N. Y.**

Service regulators are described in 20-page bulletin, No. 1026. Bulletin describes three regulators —the 107, 143 and 173—designed and built for domestic gas service. It also includes cross-sectional views of all the regulators and outlet pressure adjustment range, capacity and dimension tables. Bulletin can be obtained by writing **Meter and Valve Div., Rockwell Mfg. Co., 400 N. Lexington Ave., Pittsburgh 8, Pa.**

"Crucibles for Metal Melting" is title of 16-page catalog, No. 1795. It includes a complete description of the physical and chemical characteristics, recommended uses, and availability of the products listed. A table in the catalog lists the recommended crucible material and pertinent remarks for melting 32 metals commonly handled in crucibles. Catalog is available from **Publicity Dept., Norton Co., Worcester 6, Mass.**

Way-type precision boring machines are described in new bulletin. Machines of the one, two, three, and four-way types are included in the bulletin, together with illustrations showing applications of some of these in automated production lines. Machine specifications are included throughout. Copies can be obtained from **Ex-Cell-O Corp., 1200 Oakman Blvd., Detroit 32, Mich.**

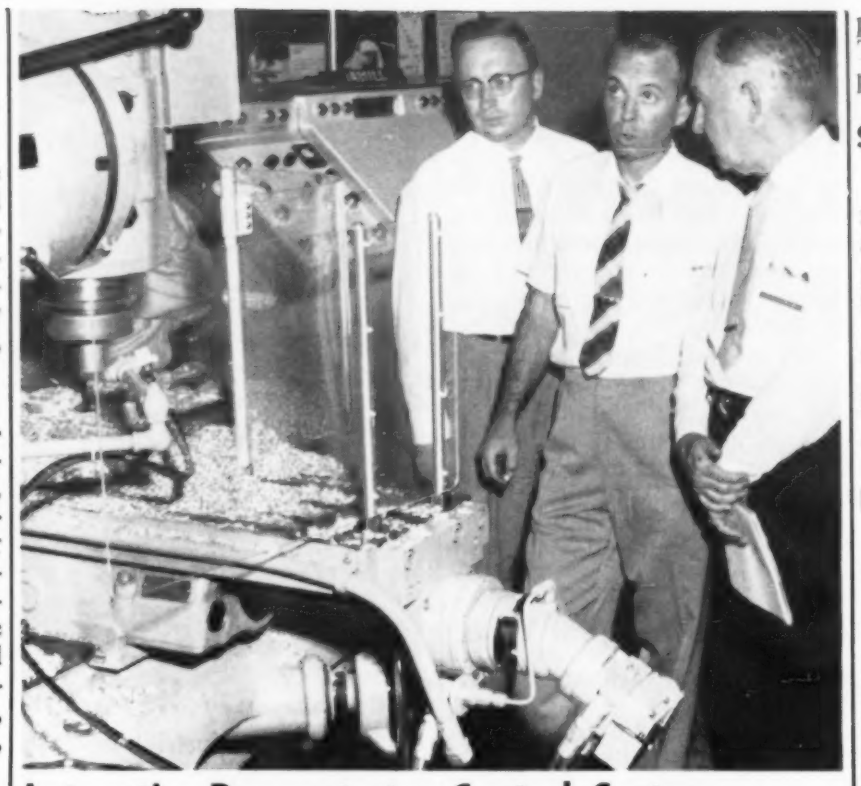
Hollow metal doors are described in 28-page catalog, No. 1040-F. Catalog makes available all the data necessary for selecting doors, frames and hardware, from one source, with all units completely engineered to complement each other. Various types of hollow metal doors in flush and panel styles are described and detailed, as are jalousie and louver doors. Copies are available from **Ceco Steel Products Corp., 5601 West 26th St., Chicago 50, Ill.**

"Math-O-Matic" is title of new 224-page book. The volume makes short work of tough problems in multiplication, division, and percentage. It also solves at a glance many intricate problems in square root, cube root, logarithms, etc. Included are reciprocals and pi products of all numbers from 1 to 1,000. The tables are printed in color for rapid reference. Price: $5.95. Book is available from **R/B Crafters, 1642 Fairmont Ave., Philadelphia 30, Pa.**

"A New Concept of Electroplating Filtration" is title of new booklet, No. GEO-508. It explains how Fulflo Filters, with Honeycomb Filter Tubes, provides tank turnover up to 3 times per hour. Fulflo Filters for electroplating, water and compressed air are illustrated and described. Booklet is available from **Commercial Filters Corp., Melrose, Mass.**

Expanded tool steel stock list, No. 13, is now available. It includes a tool steel selector and properties guide designed to help buyers select the correct steel for a particular job. Standard information includes analyses and stock sizes for all tool steels in rounds, flats, squares, billets, and special shapes. Copies are available from **Uddeholm Company of America, Inc., 155 East 44th St., New York 17, N. Y.**

Designing, testing, and manufacturing facilities for producing electrical equipment used by the missile industry are featured in new bulletin, No. 2707. Emphasis is on the variety of equipment which has been designed or adapted for use in such locations as launching sites and test areas, and on the company's ability to develop specialized equipment to meet the electrical requirements of the missile industry. Copies are available from **Crouse-Hinds Co., Syracuse 1, N. Y.**



Autonetics Demonstrates Control System

First demonstration of a three-axis numerical control system was made recently at the Western Tool Show at Los Angeles. The equipment, made by the Autonetics Division of North American Aviation, is called Numill. At the show the system was attached to a Browne & Sharpe Number 2 vertical mill. For other equipment on display at show, see PURCHASING WEEK, Oct. 13, page 1.

Companies Modernizing Facilities By Adding Buildings and Plants

New York—By adding new plants, warehouses, and other facilities, American industry is modernizing its facilities to handle coming business. Some of the companies who have reported such expansion to PURCHASING WEEK are reported below:

Dow Chemical Co.

Midland, Mich.—Dow Chemical Co. has put into operation a $500,000 semi-commercial organic chemical plant here. The plant is designed to help a customer needing fast production of a special chemical for initial field test or marketing program.

The facilities provide unit process equipment which can be converted to handle a wide range of products and processes in the pharmaceutical, food, chemicals, and aromatic and cosmetic raw materials fields.

Crowell Carton Co.

Chicago—Crowell Carton Co., division of St. Regis Paper Co., has expanded its Marshall, Mich. facilities to include a new five-color rotary press and a reciprocating platen cutter-creaser with automatic feed and pile delivery units.

Floor space of the facility was trebled and production layout was completely revamped providing improved production flexibility, according to the company.

Olin Mathieson Chemical

Kansas City, Kan.—Olin Mathieson Chemical Corp. will open a new corrugated container plant here to replace and quadruple the present plant's production. The new facility will serve container users in Kansas, Missouri, Iowa, Nebraska, and parts of Oklahoma and Arkansas. The building was leased by the company from Midwest Conveyor Co.

Midcontinent Tube Service

Evanston, Ill. — Midcontinent Tube Service, Inc. is erecting a new warehouse here adjacent to its private siding on the Chicago & Northwestern Railroad.

Facilities include an overhead electric travelling crane and new cutting and handling equipment to accommodate heavy steel products.

Celanese Corp.

Pampa, Tex.—Celanese Corp. of America will double the capacity of its acetic acid plant here by late 1959. The expansion will enable the Pampa plant to produce 240 million lb. a year of the chemical used to produce cellulose acetate, vinyl acetate, and various acetate salts and acetic anhydride.

Edgcomb Steel

Greensboro, N. C.—Construction is under way on a metals product warehouse and office here for Edgcomb Steel Co. The facility, expected to be completed by Dec. 1, will inventory carbon sheet, coil and strip, stainless steel products, aluminum products, tool steels, cold finished and brass bars, tubing of all kinds, and hot rolled structural steel plates, bars, and shapes.

Jamesbury Corp.

Worcester, Mass.—Jamesbury Corp., manufacturer of double seal ball valves and hydraulic devices, will double its manufacturing space here by the end of the year.

American Potash Chemical

Los Angeles—American Potash Chemical Corp.'s Aberdeen, Miss., sodium chlorate plant is expected to begin production late this year. Initial production will be about 15,000 tons a year with provision for future expansion. The plant will supply the southern pulp and paper industry.

Sherwin-Williams

Dallas — Sherwin-Williams' new $4 million paint, varnish, and lacquer plant is now in full production at Garland, Texas, replacing the factory at Dallas.

Annual production capacity of the new facility will be 7 million gal. of paint products. The plant will serve an 11-state area with overnight delivery in most cities.

Firestone Tire & Rubber

Akron—Firestone Tire & Rubber Co. has announced plans to build a tire plant in Alcochete, Portugal. Scheduled for completion late in 1959, the new plant will have an annual production capacity of 120,000 truck and passenger tires and tubes.

Morrison Merrill & Co.

Denver—Morrison Merrill & Co., Salt Lake City, is building a second warehouse here. The $150,000 building containing 30,000 sq. ft. of floor space, will provide more space for the building material distributing firm.

Layton-Greenfield

Coatesville, Pa. — Layton-Greenfield, Inc., paper mill machinery designer and manufacturer, has acquired additional facilities here, doubling capacity of the present plant.

Universal-Cyclops Steel

Worcester, Mass.—Universal-Cyclops Steel Corp. has opened a specialty steel service center here, more than three times the size of the company's previous location.

Storm King Corp.

Miamisburg, Ohio — Storm King Corp. will move its aluminum extrusion operations here from Louisville, Ky. The company took over Aeronca Mfg. Corp.'s 65,000-sq. ft. plant when Aeronca moved to Middleton.

H. B. Fuller Co.

Fairfax, Kans.—The H. B. Fuller Co., will build a new adhesive manufacturing plant here. It is scheduled for occupancy around Feb. 1, 1959.

Dry Ice, Hog Nose Rings Help Temco Turn Out Aircraft, Missiles

Dallas—Hog nose rings, dry ice, rice hulls, Instant Postum, toothbrushes, and window trimmers' socks.

These seem to have no connection with the building of aircraft and missiles, but the purchasing department of Temco Aircraft Corp. orders them as routinely as nuts and bolts.

C. D. Collier, Temco's manager of material, is not surprised by any unusual item appearing on a requisition. However, he has his purchasing department check each one for usage and if it is necessary.

The hog rings, those little bits of bent metal which are put in the noses of pigs to keep them from rooting under the fence, are required mainly by the template shop in making the framework for molds. The hog rings are used to connect the stiffeners such as metal reinforcing rods and metal screening, over which the plaster is poured and shaped.

Temco buys tons of dry ice each year to chill rivets used in airframe production.

Rice, Pecan Hulls and Postum

Rice and pecan hulls are used to put a fine polish on certain metallic surfaces. The hulls and the parts to be polished are placed in a tumbling machine which churns over and over, with the hulls gradually shining the metal's surface. Instant Postum is used in somewhat the same way.

Toothbrushes and pipe cleaners are purchased for the application of sealant to various surfaces.

The window trimmers' socks? Modern high-speed aircraft must have smooth surfaces. Often a worker has to get up on a surface to work on it. The socks used by department stores to keep the trimmers' feet from marring the window display surfaces are used just that way in the aircraft industry to prevent scratches on aircraft skin.

Temco's $58-million-plus annual bill for materials and services also includes quantities of milk of magnesia. It is used on heat-treat fixtures on which bolts tend to "seize." Putting milk of magnesia on these bolts keeps them from swelling or binding.

Aluminum Magnet Wire At Low Cost, Alcoa Claim

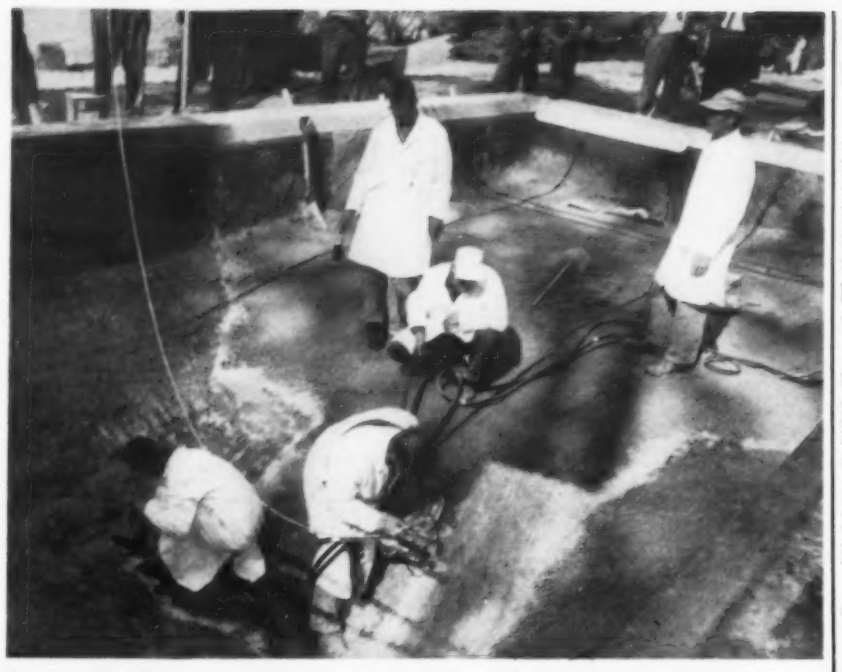
Pittsburgh—Aluminum Co. of America has just begun marketing an aluminum magnet wire at a price which it said for the first time "reflects the lower cost of aluminum in comparison with copper."

Rea Magnet Wire Co., Inc., Fort Wayne and Lafayette, Ind., will manufacture the wire as an Alcoa product in addition to acting as a sales agent for Alcoa.

Alcoa claims the new wire has wide potential use in such devices as motors, solenoids, and generators, and expects manufacturers will investigate the possible use of aluminum-wound coils.

Ferrite Business Bought

Addison, Ill.—A new corporation, Magneco Electronics, Inc., has acquired the ferrite business formerly conducted by Yale & Towne Mfg. Co. In the plant here leased from Yale & Towne, Magneco will go into the permanent magnet phase of the ferrite business as well as continuing to produce formed electromagnetic ferrite components.



Does Industry Have Job for This Process?

Cleveland—Industrial applications are being sought for a spray-gun-polyester process now being used for making outdoor swimming pools. Some that have been proposed include boats, caskets, ordnance items, and panels.

In making swimming pools, above, a tripple-nozzle gun sprays from two nozzles gummy polyester resins and a catalyst from pressurized tanks. Chopped strands of fiberglass are shot under pressure from the center nozzle. The three ingredients, mixing in mid-air, are deposited in a heavy coating that adheres to almost any surface.

For about $10,000 the complete package unit, including spray gun, tanks, compressors, and all fittings and accessories, may be purchased from Fabulous Fiberglass, Inc.

In the World of Sales

Joseph A. Wilson has been appointed manager the new branch sales office recently established by Pesco Products Division, Borg-Warner Corp. in New York City.

S. C. Seekell has rejoined Wolverine Tube, division of Calumet & Hecla, Inc., as sales representative in Grand Rapids and western Michigan.

C. J. Oldenburg has been advanced to Chicago sales district manager by Oronite Chemical Co.

Alvin E. York and **Wendell V. Richards** have been assigned the new posts of sales manager and assistant sales managers for the Construction Machinery Division of Clark Equipment Co., Benton Harbor, Mich.

Joseph C. Lowey has been named general manager of sales for Clayton Mark & Co., Evanston, Ill.

Thomas N. Parlon has been promoted to sales manager for electric lift trucks, Yale Materials Handling Division, Yale & Towne Mfg. Co., Philadelphia.

G. Victor Schlitzer has been appointed New York district sales manager for the Colson Corp.

J. E. Watson, Jr., has succeeded **R. F. Muller,** who retired after 38 years' service, as manager of the Miami district of Allis-Chalmers Industries Group.

Roy W. Johnson has joined Culbert Pipe & Fittings Co., Jersey City, N. J., as vice president in charge of sales. He had been executive vice president of the Republic Supply Co. of California, Los Angeles.

J. A. Sulzmann, Pittsburgh district sales manager for Upson-Walton Co., has been assigned the added post of Cleveland district sales manager.

Edwin H. Sticker has been advanced to Louisville district sales manager for Jones & Laughlin Steel Corp.

Evans Taylor has been named Chicago branch sales manager by Exide Industrial Division, The Electric Storage Battery Co. He succeeds **Cecil W. Wilson** who retired after more than 43 years' service.

William O. Holleman has joined American Oil & Supply Co., Newark, N. J., as sales manager. Formerly regional sales manager of Westvaco Chlor-Alkali Division, Food Machinery & Chemical Corp., N. Y. He succeeds **L. W. Schreihofer** who has been made an administrative assistant.

Thomas Barker has been made assistant midwest sales manager of American Mineral Spirits Co., Chicago.

T. R. Evans has been appointed sales manager for the Fine Metals and Chemicals Division of Electro Metallurgical Co., a division of Union Carbide Corp., New York.

Floyd M. Mayse has been moved up to manager of sales at Lamson Mobilift Corp., Portland, Ore.

Ralph Rathyen has been promoted to industrial sales manager of the Joseph Dixon Crucible Co., Jersey City, N. J.

William G. Sheppard has joined Hart Supply Co., Oshkosh, Wis., as executive vice president. Sheppard formerly had been vice president in charge of sales, Ohio Injector Co., Wadsworth, Ohio.

Federal Pacific Markets New Circuit Breaker

Newark, N. J.—Federal Pacific Electric Co. is promoting its new DST 5-250 air circuit breaker by sending Donald Munday, a sales specialist, on a year-long tour of the country. He will carry the breaker with him in a special auto trailer.

The breaker is designed for utility companies, industrial plants and other heavy electrical installations. Operating at 125 dc volts, the metal-clad 1,200 amp. 5 kv air circuit breaker has a 250,000 kva. interrupting capacity.

Thompson-Ramo, Sohio Announce Joint Study

Philadelphia — Standard Oil Co. of Ohio and the Thompson-Ramo-Wooldridge Products Co., Los Angeles, announced a co-operative development study involving application of digital computers to automatic process control.

Announcement was made at the Instrument Society of America's annual Instrument-Automation Conference here recently. It is expected that new control techniques and equipment will be developed through the joint study.

Flexi-Van Service Opens on R.R. System

Chicago—Flexi-Van service will be offered throughout the entire transcontinental system of the Chicago Milwaukee St. Paul & Pacific Railroad.

Flexi-Van equipment consists of lightweight trailer units which slide quickly from their highway wheels onto specially designed flat cars. The system permits simultaneous loading or unloading of any number of vans.

The Milwaukee is the first railroad to offer shippers this specialized service to and from the Pacific Northwest.

PURCHASING WEEK

Vol. 1, No. 42 October 20, 1958

is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office, 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

EXECUTIVE, EDITORIAL, CIRCULATION and ADVERTISING OFFICES: 330 West 42nd St., New York 36, N. Y. Officers of the McGraw-Hill Publishing Co., Inc.: Donald C. McGraw, President; Joseph A. Gerardi, Executive Vice President; L. Keith Goodrich, Vice President and Treasurer; John J. Cooke, Secretary. Officers of the Publications Division: Nelson L. Bond, President; Harry L. Waddell, Senior Vice President; Ralph B. Smith, Vice President and Editorial Director; Joseph H. Allen, Vice President and Director of Advertising Sales; A. R. Venezian, Vice President and Circulation Coordinator.

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This Week's

Purchasing Perspective

OCT. 20-26

(*Continued from page* 1)

areas. And with the auto industry apparently heartened by the apparent enthusiastic first reaction of consumers to the 1959 models, steel users should remain alert to possibility of delivery delays. If the new cars catch on in terms of sales, Detroit's demand would zoom in a hurry.

In fact, mills say, some customers already are crowding in to beat what they fear will be a fourth-quarter traffic jam.

• • •

Industrial production climbed for the fifth consecutive month in September, according to the Federal Reserve Board Index—and only auto production curtailment prevented it from going higher. "There are no weak spots in business activity," a federal economist declared.

• • •

Other signs of the times:

Stock margins were raised to 90% to prevent excessive use of credit in buying securities. But Wall Streeters, expressing little surprise at the Federal Reserve action, indicated it expected little effect on stock prices.

Industry supplies of copper took the sharpest monthly drop in years last month, reflecting improving demand that since has been further stimulated by strike-curtailed production. Lead advanced last week, along with both copper producer and custom smelter prices, as world supplies of the metals tightened.

Corrugated box industry, battling low profits and other packaging competition, nevertheless looks for a record year and higher prices for its products in 1959.

Linear polyethylene producers hope the hula hoop gold mine will lead to even bigger and better markets for their product now that extruders and other fabricators are more familiar with its capabilities. Watch for some brand new marketing schemes for this resin.

Cutting tool makers reported only minor flurries of buying when word began to get around that prices were on the way back up to former levels earlier this month. They say the apparent disinterest reflects the lethargy still plaguing some segments of the metalworking industrial group.

Rumors of an impending price increase in sulphur still persist. Latest reports are that Mexican producers will make the first move and match U. S. levels.

• • •

Users of ethylene derivatives are being advised not to worry about shortages resulting from the big fire which put Esso's new $12 million ethylene recovery unit out of commission Oct. 1 at Baton Rouge. Esso is guaranteeing its processors—Grace, Ethyl Corp., Wyandotte, and Foster Grant—sufficient operating supplies during the anticipated long shutdown.

Economists See Industrial Climb; Economy Forming Business Cycle

(*Continued from page* 1)

week expressed these somewhat differing points of view as to its pace and stability. Their audience was a group of upper level business executives attending an American management association special conference concerned with "timing the upturn."

"Our economy appears to have established a business cycle," said William F. Butler, vice president and economist for Chase Manhattan Bank, "in which periods of expansion last about three years while the recession phase lasts about 12-18 months."

In offering his forecast of the near future, Butler made these points:

- Current expansion in general business activity should make 1959 an excellent year. Full capacity operations should be regained by late 1959 or early 1960.
- The years 1960 and 1961 should be ones of great prosperity, the only problem will be containing inflationary pressures.
- Another recession should start sometime in 1961—give or take 12-18 months.

Dr. Jules Backman, professor of economics at New York University, disagreed somewhat. He predicted a 10-year upswing with productivity rising at a rate of 2% a year.

Backman said the next decade should follow the pattern of the past—setbacks in some industries and gains in others. The industries that will experience the greatest prosperity in the near future, Backman felt, are light metals, miracle drugs, electronics, entertainment, and goods and services.

Predicting 1967 would see the gross national product pushing $590 billion, which would mean an annual increase of more than 3% from the present $440 billion, he said:

"Depending upon the assumptions used, one can obtain a wide variety of estimates concerning the magnitude of expansion in our economy over the next decade. Our economy remains dynamic and with some possible minor interruptions will continue to grow in the years ahead."

Sanford S. Parker, chief economist for Fortune Magazine, emphasized that the "rise in capital goods is the key to the approaching business boom."

U.S. 'Price Fixing' Brings Protests From State and Other Public P.A.'s

Regulation Passed in 1951 to Get Federal G.S.A. Better Prices Has Reacted Unfavorably to Others

(*Continued from page* 1)

under a G.S.A. supply schedule must give a "comparable" reduction to the government when he lowers his price to another customer. But as interpreted by government purchasing agents, this meant more than making sure the government's price is no higher than the price to comparable purchasers.

For instance, take the case of a manufacturer selling auto tires to G.S.A. for $15 and to an industrial customer for $20. If the manufacturer decides to lower his price to $15, or 25%, to one of his customers, G.S.A. would demand a comparable 25% reduction, or the right to buy its tires for $11.25.

Local P.A.'s Object

This was the way the price reduction clause, covering every one of 60,000 "line items" in G.S.A. supply schedules, remained on the books until last March. It was modified then after a number of state and local government purchasing officers started kicking up a fuss.

They charged that Regulation 13 prevented them from securing lower prices on typewriters, that manufacturers were reluctant to lower their prices because they might then be forced to lower them to the federal government as well.

Favorable to G.S.A.

That the regulation is favorable to G.S.A., even at the expense of other buyers, is undeniable. G.S.A. officials privately admit as much. They say that a lowering of tags to industrial or business buyers, especially large ones, might have the effect of increasing prices to G.S.A., if not under the present contract, when they go to negotiate a new contract.

And with the Administration embarking on a new economy wave to cut down government spending, G.S.A. can be expected to embrace Regulation 13 even closer.

G.S.A. did, however, agree to modify the regulation and specified more clearly under what circumstances individual price reductions must be passed along to the federal government.

Rule More Specific

The rule now says flatly that the price to the government must be lowered:

- If the supplier lowers his price "generally" to all customers, but not for an "occasional" sale at lower price or for sale of distress merchandise.
- If the supplier lowers his price to the same "class of customer" on which it had based its sales price to the government.

For example, if the supplier had based his contract with G.S.A. on the price he charges wholesalers for his product, a lowering of his sales price to wholesalers must also produce a lower price to the government, but a lower price need not be given to G.S.A. if he drops his prices to retailers or jobbers, etc. G.S.A. claims this was all the original Regulation 13 meant to do anyhow.

But many purchasing officers for state governments and other public bodies still are not satisfied. They contend that the revision does not mean much and that they don't see how it can be enforced, especially the part about an "occasional" sale.

One city purchasing agent who has been arguing with G.S.A. on the subject says: "Purchasing is a two-way street. G.S.A. ought to realize that the supplier, as well as other purchasers, ought to be able to get a break as well as the federal government."

What has particularly aroused state and local buyers is the G.S.A. system of contracts in which a single price is negotiated directly with several manufacturers of five items—office machines and equipment, tires, auto parts, drugs and electric lamps. G.S.A. expenditures for these five items last year came to some $238 million.

These five items also make up a big chunk of the purchases on which state and local government P.A.'s are trying to get G.S.A. to drop its regulation 13. They have been successful, so far, in getting the price reduction clause eliminated on only drugs.

Packaging Field Open to Aluminum

(*Continued from page* 1)

well as already developed applications, we feel this estimate could be conservative," Payton added.

He pointed to the lighter weight of aluminum cans as a major cost saving for many products, especially where high commodity freight rates and long hauls are involved.

An example of the shipping cost savings of aluminum cans was cited this week when the American Can Co. announced it is producing aluminum cans for a sardine packer, Franco-Italian Packing Co., San Pedro, Calif. The packing firm said it was paying $55 a thousand compared with about $46 a thousand for tin plate, "but we expect to make up the difference through savings in shipping."

Payton said aluminum already is closing the gap cost-wise and has "in fact, crossed the line a time or two."

Gaylord Container's "Drumpaket," a new design in corrugated fibreboard packaging, also came in for some attention as a new packaging development. The container can be closed, top and bottom, without the use of tape, glue, staples, etc., and has an interior locking device.

Also described for the container experts was a new "Marlex" film developed by Phillips Chemical, a subsidiary of Phillips Petroleum Co. The company said Marlex is a linear polyethylene material which can be used in packaging for bottles, tubes, or thermoformed containers.

Price Changes

Copper—Domestic producers have boosted tags 1¢ a lb. to 27½¢ a lb. Increased demand plus output cutbacks due to strikes are responsible. Custom smelters boosted their copper tags 1¢ a lb. to 28½¢ a lb.

Gray Cloths — Dacron-cotton batiste, 96 x 72 is up 1 ¢ a yd. to 48¢ a yd. Broadcloth, 11 x 72 made with American cotton is up 1¢ a yd. to 55½¢ a yd., while Egyptian cotton types advanced 1¢ a yd. to 57½¢ a yd.

Gasoline—Tags on gasoline in various Pennsylvania regions are down 1.4¢ a gal.

Midcontinent refineries cut wholesale tags of gasoline for northern shipment last week. The heavy stock position caused reductions of ⅜¢ a gal. Regular branded grade 89 octane is now at 12⅛¢ a gal. Premium and unbranded gasoline were reduced by similar amounts.

Silver — Silver tags were boosted again by ½¢ an oz. to about 90½¢ an oz. last week. Increased seasonal demand caused this third straight rise in as many weeks.

Silver Nitrate—upped silver tags have caused silver nitrate prices to go up 1¢ an oz. to 66¾¢ an ounce for 250-ounce bottles. Larger quantities of over 3,000 ounces are quoted at 65¼¢ an ounce.

Crude Oil—Creole Petroleum Corp. has cut tags on its medium-heavy Venezuela crude oils by 5¢—14¢ a bbl. Competitive conditions are reported responsible.

Cotton Cloth—Leading mills have boosted tags on Army duck cotton cloth to 38¢ a yd. This boost of a ½¢ a yd. cancels part of a 1¢ a yd. cut put into effect a month ago. Improved demand is reported responsible.

Copper Chemicals—Increased copper tags have boosted a number of copper chemical prices.

Copper sulfate is up 25¢ to 50¢ a cwt. Crystal from copper sulfate tags range from $11.30 a cwt in carload lots to $14.30 per cwt in less than carlot quantities.

Copper carbonate tags are now 32½¢ a lb. in carlots and 34¢ a lb. in less than carlot quantities.

Lead—Lead tags were boosted by ½¢ a lb. last week to 13¢ a lb. That's the fifth rise in the last month by custom smelters and is reportedly due to low inventories and active demand.

Lead Oxide—The fifth lead oxide tag boost in the past month of ½¢ a lb. puts dry red lead, 95% at 15¼¢ a lb. Litharge is now quoted at 14¾¢ a lb. and orange mineral at 17 3/5¢ a lb.

Industrial Fabrics—A variety of wide industrial fabrics were boosted in price by from ¾¢ to 1½¢ a yd., last week. The increases covered wide sateens, broken twills, drills and osnaburgs. Increased demand is reported responsible.

N.Y., Oklahoma Join Price Probe

Alleged Fixing of Tags To Bring Investigations By State, Local Groups

(*Continued from page* 1)
week after previous testimony that materials contractors established "fixed prices" in many of the state's 77 counties.

In an earlier session State Sen. Hugh Sandlin presented two price lists—one for contractors and another for county commissioners. The list indicated private contractors can purchase materials generally at 25% less than many counties in Oklahoma.

The investigation picked up steam earlier this month after a state inspector, Scott Burson, reported laws governing buying practices across the state "generally have been ignored." Burson said county commissioners are not filing required purchasing requests with county clerks.

Violations Revealed

He also contended counties are piling up debts and carrying them into the following year, also a law violation. The inquiry also brought out that after one county commission began taking competitive bids, materials prices increased and all bids were the same.

Other sidelights revealed so far included:

Haskell County paid as much as $10 a gal. for lumber treating materials that could be bought in retail stores for $2.25. Carter County paid $106,000 for which there was no record of delivery of materials purchased. Pushmataha County's road fund expenditures one year included payments for such items as eye glasses, groceries, and even a casket.

Uniform Price List Cited

The hearings also brought out that a uniform price list was drawn up three years ago and that an association of suppliers existed for some time. One supplier defended the list on the grounds it was prepared in order to make prices more uniform over the state and that by having uniform prices, smaller counties made "tremendous savings."

The legislative committee was scheduled to meet again last Friday with officials of the Oklahoma County Commissioners Association and the Oklahoma Public Expenditures Council. The latter is a non-profit, non-political taxpayers' organization that has been spotlighting buying practice violations for many years.

Albany, N. Y.—State auditors, reporting on a check of some 200 local governmental units, say that competitive bidding procedures have been violated in more than half.

Most of the violations were described as minor and technical, but the city of Utica was singled out for special criticism and charges.

The New York State Department of Audit and Control charged that the administration of Utica, an upstate city of more than 100,000, had "circumvented and defeated" state law by:

• Making more than $55,000 worth of purchases with two firms partly owned by city officials, one a deputy police chief.

• Failing to obtain required competitive bids on at least 38 purchases.

• Using a single authorization twice to float $15,000 in bonds.

• Paying more than the $500 maximum allowed without bids in 11 instances by a series of split claims.

The criticisms followed an audit of city transactions for the years 1954-57. The state auditors recommended 31 changes in fiscal practices.

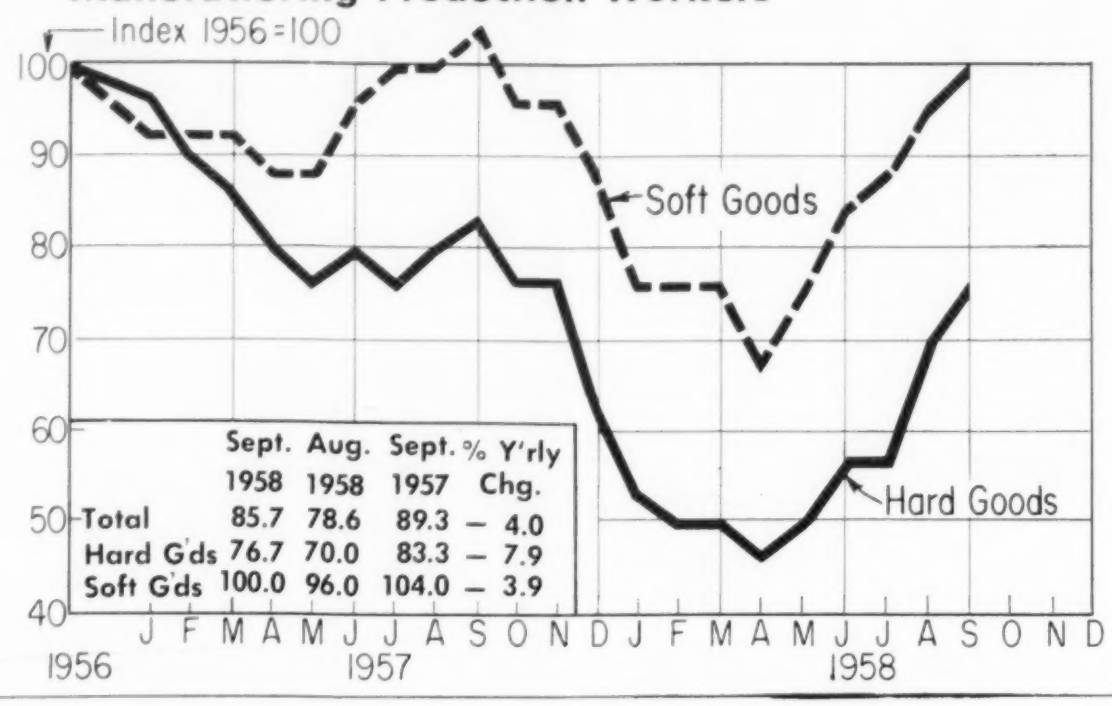
The city purchasing agent, Charles Merlini, places orders for all purchases in amounts up to $500. A city board of contract and supply (consisting of the mayor, city engineer, and other administration officials) rules on all bids over $500 and parcels out the $500 items to Merlini.

Replying to the state charges and press criticism, Mayor John T. McKennan brushed off most of the state recommendations as "technical." He claimed state buying laws were vague and asked for an end to "unfair attacks."

A state supreme court ruling is being awaited on a suit brought by two Republican aldermen to force the city to buy at low, state contract prices.

OVERTIME HOURS

Manufacturing Production Workers



	Sept. 1958	Aug. 1958	Sept. 1957	% Y'rly Chg.
Total	85.7	78.6	89.3	— 4.0
Hard G'ds	76.7	70.0	83.3	— 7.9
Soft G'ds	100.0	96.0	104.0	— 3.9

Factory Overtime Reaches 85.7

(*Continued from page* 1)
hard goods and soft goods industries are sharing in the general pickup.

The hard goods index for September rose to 76.7. That's close to 10% above the previous month and the highest level since November 1957.

Soft goods improvement is somewhat smaller. The latest figure (100) is only about 4% above the previous month. However, this is the highest figure in over a year.

An industry by industry analysis reveals the gains are widespread through the entire country.

Latest data indicates gains in overtime hours in 16 of the 20 major groups shown in the table alongside. Two groups show no change and only two show declines. These are rubber and leather.

Overtime Hours of Manufacturing Production Workers Index

1956 Equals 100

	Latest Month*	Month Ago	Year Ago	% Yrly Change
Hard Goods				
Ordinance & Accessories	69.0	65.5	55.2	+25.0
Lumber & Wood	115.2	81.8	100.0	+15.2
Furniture & Fixtures	96.4	67.9	92.9	+ 3.8
Stone, Clay & Glass	91.7	83.3	91.7	0
Primary Metals	53.6	46.4	64.3	—16.7
Fabricated Metal Products	83.3	66.7	93.3	—10.7
Non Electrical Machinery	40.5	40.5	64.9	—37.6
Electrical Machinery	57.7	50.0	80.8	—28.6
Transportation Equipment	69.0	51.7	69.0	0
Instruments	69.6	56.5	73.9	— 5.8
Soft Goods				
Food	97.0	97.0	97.0	0
Tobacco	136.4	154.5	100.0	+36.4
Textile Mill Products	88.5	76.9	84.6	+ 4.6
Apparel	108.3	83.3	116.7	— 7.2
Paper	95.7	84.8	97.8	— 2.2
Printing & Publishing	78.1	68.8	96.9	—19.4
Chemicals	91.3	87.0	95.7	— 4.6
Petroleum & Coal Products	90.0	95.0	90.0	0
Rubber Products	110.7	78.6	114.3	— 3.2
Leather & Products	85.7	71.4	107.1	—20.0

* Latest month is August, 1958.

Propose Buying Center at Mitchel

New York—A proposal to make Mitchel Air Force Base the East Coast purchasing center for the Air Force is under consideration at the Pentagon. But an Air Force spokesman in Washington has indicated there is little likelihood such a setup would be ordered soon.

About 2,500 Air Force officers and civilians who buy for the Air Force now work in rented offices at various locations in Manhattan. Backers of the plan contend that the Air Force would save money by consolidating the New York area buyers and purchasing agents at the base where Continental Air Command now maintains a headquarters.

An Air Force spokesman at the Pentagon noted that a periodic review is made of the missions of all Air Force bases and plans for changes are solicited, received, and reviewed. "In the case of Mitchell, no further review is anticipated in the near future," he said.

Nevertheless, officers at the Long Island base, where the runways have been outgrown by present day Air Force planes, are surveying facilities to determine whether there is sufficient space to accommodate the various purchasing departments scattered throughout nearby Manhattan.

No Settlement in Sight For Major Glass Strike

(*Continued from page* 1)
and L-O-F between them produce an estimated 95% of the nation's plate glass and 65% of the window glass.

Plants in eight states affected by the strike produce window, plate, auto, curtain wall, structural, mirror, and other types of flat glass.

The United Glass and Ceramics Workers Union called the walkout against the two firms Oct. 7 although four Pittsburgh plate plants were closed earlier by premature strike action.

Resumption of formal negotiations, which broke off Sept. 27, was reported awaiting outcome of other union-management talks at Miami Beach where union officials were negotiating with smaller firms of the glass industry.

Still at issue were incentive procedures, seniority, job combinations, productivity requirements, and new plant job rights.

Texas Files Suits Against Refiners

Atty. Gen. Wilson Sees Anti-Trust Violations On Wholesale Prices

El Paso—Texas Atty. Gen. Will Wilson has filed suit in district court here against three gasoline refiners for alleged anti-trust law violations through agreement to maintain tank-wagon (wholesale) prices.

Wilson is seeking civil penalties up to $1,500 a day from Jan. 1, 1956, to the present against Standard Oil Co. of Texas, The Texas Co., and El Paso Natural Gas Products Co.

Texas authorities have been investigating state anti-trust law violations since last spring following complaints from municipal and county purchasing agents who complained of receiving numerous identical bids. Seven firms selling liquid chlorine were named recently in the first of a series of suits expected to be filed by Wilson (P.W. Sept. 22, p. 15, and June 16, p. 1).

Sued Only Refineries

"While all of the retailers of gasoline in the El Paso area charging substantially the same price," Wilson said "we have sued only the companies operating refineries because we feel they are primarily responsible."

Wilson said independent marketers are asked to pay 1.5¢ more a gal. over "North Texas Low" prices to buy from Standard of Texas, regardless of quantity. "This price is prohibitive for independent distributors," the petition stated.

Wilson asked the district court here for an injunction to stop alleged collusion in pricing gasoline.

F.R.B. Industrial Index Shows Rise in September

Washington—The Federal Reserve Board's Index of Industrial Production rose to a seasonally adjusted rate of 137 in September (1947-49 equals 100). That's a rise of 1 point from the August total and reflects increased output of steel, minerals, and nondurable goods.

A drop in auto output prevented the index from rising further. But new-model production in October is expected to give the index another healthy boost. Details are given in the table below.

Industrial Production*

1947-49 Equals 100

	1958 Sept.	1958 Aug.	1957 Sept.
Industrial production, total	137	136	144
Manufactures	139	138	146
Durable	144	144	160
Nondurable	134	133	131
Minerals	123	120	129
Consumer Durable Goods, Total	104	115	134
Major Consumer Durables	99	117	142
Autos	57	95	150
Other Consumer Durables	114	112	114

* Seasonally adjusted

Railroads Cut Their Freight Rates and Arouse Ire Of Competing Truckers; Latter Take Appeal to I.C.C.

Rails Basing Shipping Charges on Two-Car Loads; Trucking Firms Fear This Will End Their Business

(*Continued from page* 1)
a carload—30,000-lb.—of mixed freight from New York to Chicago for $2.02 per 100-lb. The line wants to up this to a 70,000-lb—two boxcar—basis and reduce its charges down to 64.5 cents per 100-lb.

Violently opposing this, truckers claim such competition will virtually drive them out of business. Thus they have launched into an attack on the rails that goes deeper than just the immediate case at hand.

Their protest to the I.C.C. calls for rolling back many of the so-called volume rates now in use by railroads and most of the top freight forwarders. Under fire are all the trailer-on-flat-car rates based on a 70,000-lb. minimum and more than 300 existing rates offered by freight forwarders on such commodities as radios, television sets, machinery, drugs, carpets, photographic materials, power shovels, bicycles, clothing, compressors, plastic bottles, etc.

Outcome to Hit Every Shipper

The outcome, likely to take a year or so, will be felt by virtually every shipper in the nation.

And not even in the picture yet, formally at least, are the proposed guaranteed volume freight rates under consideration by Eastern and Midwestern roads (P.W. Sept. 29, p. 1). This volume shipment system promises preferred rates to shippers who guarantee a certain percentage of their business over a 12-month period.

The I.C.C. previously has held volume rates down to around the 30,000-lb. level on the reasoning that as higher volume rates are allowed, they tilt the competitive advantage to rails over trucks. Also in the picture are such things as the advantage given to a big company versus its smaller (little shipper) competitor. But since passage of the Transportation Act of 1958, the rails claim that if they can make a profit by offering volume rates, then the rails are not to be restricted because this price competition hurts another mode of transportation.

Rate Battle Cause Emphasized

The forthcoming rate battle stems from recent success of railroads in shifting the basis of freight rate charges—away from the traditional classification and commodity basis where the rate is predicated to a large degree on commodity value, to charges based on volume and weight shipped regardless of content of shipment.

The new rate trend started after World War II as railroads began hauling loaded truck trailers on rail cars (piggyback) for a flat fee regardless of the commodities in the trailer. Last summer the I.C.C. allowed the rails another step in this direction with rates based on volume shipments of 70,000-lb.—equal to two box cars—in two truck trailers hauled on one flat.

The next move in the pattern came in August when the B & O asked the I.C.C. to allow it to offer the same 70,000-lb. volume rate on a two-boxcar basis, rather than two trailers. The reason, the B & O said, was that it could not haul standard size trailers being used by shippers because of lack of suitable flat cars and because the trailers would not clear tunnels on the line's roads.

The B & O argued it needs the rate to remain competive with other railroads. But truckers protests won an I.C.C. suspension of the new rate until March 14.

Other railroads followed suit at the time the B & O made its rate request. The Lehigh Valley asked for the same rate but later withdrew. The New York, New Haven, and Hartford made a similar request, and it was similarly suspended.

Now a half dozen other volume-type rates are under suspension. But once the I.C.C. decides the basic issue presented by the B & O, it will set the pattern for dealing with other rate requests.

What puts a scare into truckers is that volume rates are bringing freight forwarders—using the railroads—along fast as a major competitor for the truck lines. With rails seemingly content merely to pull loaded cars without concern for content, freight forwarders are moving in and tapping benefits at trucklines' expense.

With lower rates based on volume shipments, a smaller shipper still won't move enough goods to qualify for lower rates, but a freight forwarder can by consolidating shipments.

I.C.C. Refuses to Suspend B. & O.'s Piggy-Back Rate

Washington — The Interstate Commerce Commission ignored truckers' protests last week by refusing to suspend a new piggy-back freight rate sought by the Baltimore & Ohio. The new rate, scheduled to go into effect Oct. 20, offers big reductions to shippers who furnish both shipping container and flat car on runs between East Coast and Chicago.

Where the shipper agrees to move as much as 50,000-lb., regardless of commodity content in the trailer, the B. & O. will cut the rate charges by as much as 85% below present highest rate.

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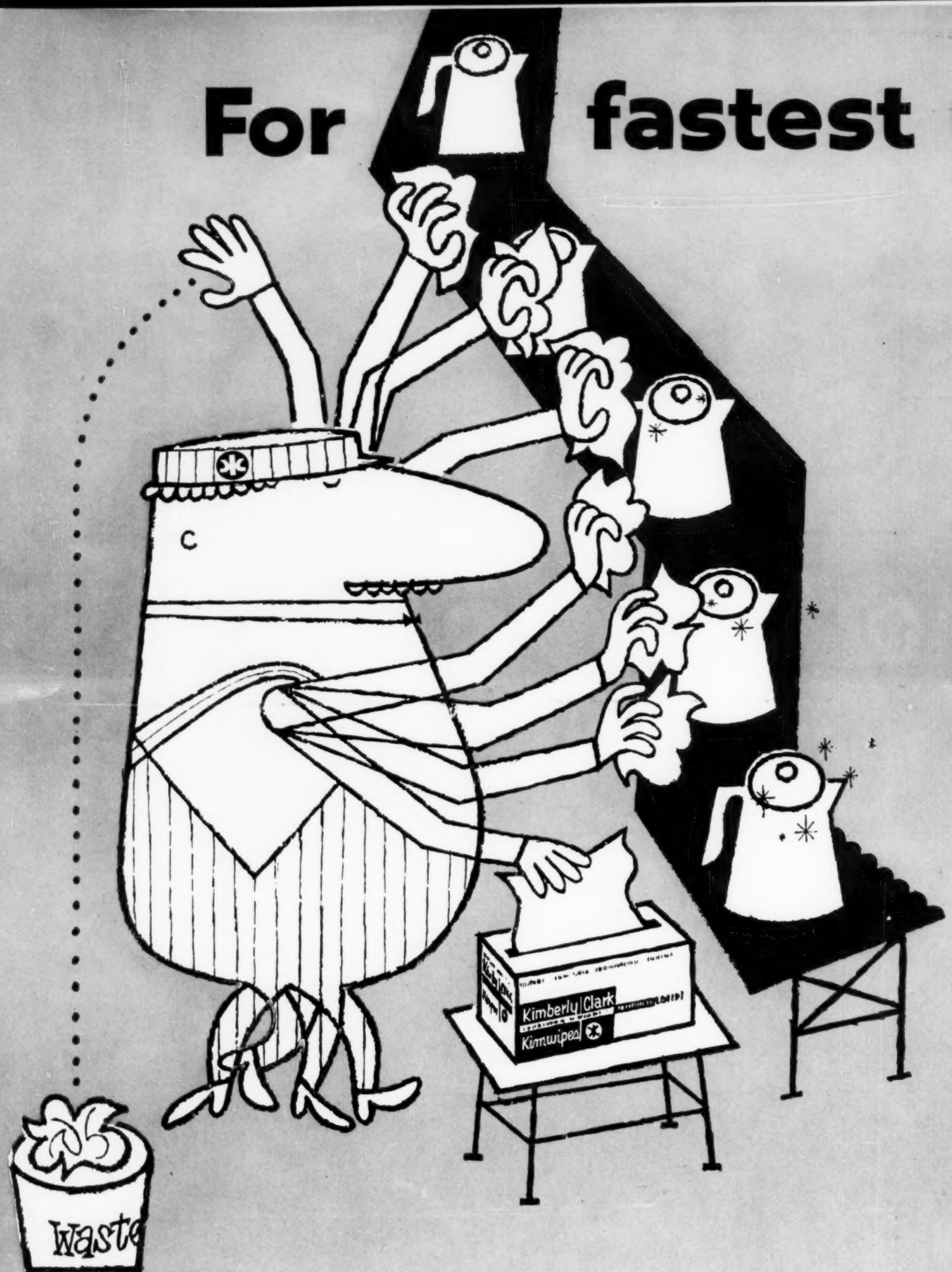

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